FIN Insurance Company Limited

Financial Statements
for the year ended 31 December 2021

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Corporate Information

DIRECTORS	
Mr. Paul Kokoricha	Chairman
Mr. Bashir Binji	Managing Director/CEO
Mr Abdulkareem Mohammed Sani	Independent Non-Executive Director
Mr. Afolabi Elebiju	Non-Executive Director
Mr. Martins Uwuilekhue	Non-Executive Director
Dr. Nkiru Balonwu	Independent Non-Executive Director
Mr. Peter Ekwueme	Executive Director
REGISTERED OFFICE	34 Gana street Maitama District, Abuja Telephone:092913712 Website: www.finsurance.com.ng
CORPORATE HEAD OFFICE	Okoi Arikpo House 5, Idowu Taylor Street Victoria Island, Lagos
COMPANY SECRETARY	PAC Solicitors Ground and First floors, Dicon Towers 16 Kofo Abayomi Street Victoria Island, Lagos FRC No. FRC/2015/NBA/00000006026
LEGAL ADVISER	Onosen Divine Alegbe 34 Gana street Abuja, FCT FRC No. FRC/2019/NBA/00000019783
AUDITOR	KPMG Professional Services Bishop Aboyade Cole Street Victoria Island, Lagos
BANKERS	Union Bank of Nigeria Plc Ecobank Nigeria Plc Wema Bank Plc Unity Bank Plc Fidelity Bank Plc United Bank for Africa First Bank of Nigeria Limited Guaranty Trust Bank Plc Platinum Mortgage Bank Limited First City Monument Bank Limited Keystone Bank Limited Access Bank Plc FSDH Merchant Bank Limited Polaris Bank Limited Zenith Bank Plc
REINSURERS	African Reinsurance Corporation Continental Reinsurance Plc WAICA Reinsurance Corporation Plc

CONSULTING ACTUARIES	O & A Hedge Actuarial Consulting Suite 21, 1st Floor, Motorway Centre 1 Motorway Avenue, Alausa, Ikeja Lagos FRC No: FRC/2016/NAS/00000015764
ESTATE SURVEYOR AND VALUER	John Odiba & Partners Suite 29, Majia Plaza, opposite Al-Ansar Center for Comprehensive Education Sahara Estate, Gwarimpa, Abuja FRC No: FRC/2022/00000014211
REGISTRARS	Cardinal Stone Registrars 358, Herbert Macaulay way Yaba, Lagos
CAC REGISTRATION NUMBER	38815
NAICOM NUMBER	RIC047
TAX IDENTIFICATION NUMBER	02149757-0001

Directors' Report

For the year ended 31 December 2021

The Directors present their annual report on the affairs of FIN Insurance Company Limited ("the Company"),together with the financial statements and independent auditor's report for the year ended 31 December, 2021.

1 Legal form and principal activity

The Company was incorporated in 1981 as Yankari Insurance Company Limited and commenced operations in January, 1983. It traded in this name until 2007 when it was acquired by FinBank Plc. The name was changed to FIN Insurance Company Limited in 2008. FIN Insurance Company Limited is duly incorporated in Nigeria under the Companies and Allied Matters Act of Nigeria, Cap C20, as a Private Limited Liability Company, and it is domiciled in Nigeria.

In 2014, the controlling shares in the Company held by Fin Bank PLC were sold to Africa Capital Alliance Limited ("ACA") through ACA's investment vehicle, Capital Alliance Private Equity (III) Limited (CAPE III). By a members' resolution dated 11 February, 2014, CAPE III transferred its full holding of the Company's shares to Cornerstone Insurance PLC.

The corporate head office of the Company is 5, Idowu Taylor Street, Victoria Island, Lagos. The main activity of the Company is the provision of general insurance business.

2. Operating results

Highlights of the financial performance is as follows:

In thousands of Naira	**31 December 2021**	**31 December 2020**
Profit before income tax	837,936	452,666
Income tax expense	(93,517)	(41,223)
Profit after taxation	744,419	411,443
Transfer to contingency reserve	(148,884)	(82,289)
Transfer to retained earnings	595,535	329,154
Retained earnings, beginning of the year	1,190,931	2,361,777
Issues of bonus shares	-	(1,500,000)
Retained earnings, end of the year	1,786,466	1,190,931

3. Dividend

The Board of Directors did not recommend dividend for the year ended 31 December 2021 (2020: Nil).

4. Directors

The directors who served during the year were

Mr. Paul Kokoricha	Chairman
Mr. Bashir Binji	Managing Director
Mr. Martins Uwuilekhue	Non-Executive
Mr. Abdulkareem Mohammed Sani	Non-Executive
Mr. Afolabi Elebiju	Non-Executive
Dr. Nkiru Balonwu	Non-Executive
Mr. Peter Ekwueme	Executive Director

Directors Shareholding:

No director has direct or indirect interest in the share capital of the Company (31 December 2020 : Nil)

Appointment of Directors

No new director was appointed during the year under review.

5. Shareholding Analysis

The shareholding pattern of the company is as stated below:

	31 December 2021		**31 December 2020**	
	No. of shares	**% holding**	**No. of shares**	**% holding**
Cornerstone Insurance Plc	4,834,156,136	96.68%	4,834,156,136	96.85%
Bancassure Limited,	131,625,000	2.63%	131,625,000	2.64%
Gombe State Investment and Property Development,	25,354,688	0.51%	25,354,688	0.51%
Others	8,864,176	0.18%	8,864,176	0.18%
Total	5,000,000,000	100%	4,991,135,824	100%

6. Directors interest in contracts

The Director's do not have any interest in contracts with the Company during the year

7. Property. Plant and equipment

Information relating to changes in property and equipment during the year is given in Note 14 to the financial statements.

8. Employment of physically challenged persons

The Company operates a non-discriminatory policy on recruitment. Applications by physically challenged persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of physically challenged persons should, as far as possible, be identical with those of other employees. During the year under review there was no physically challenged person in its employment.

9.Employee health, safety and welfare

The Company's policy with regards to employees' health and safety is to ensure that the provisions of all safety and health legislations are rigorously complied with.

10. Employee involvement and training

The Company places considerable value on the involvement of its employees and has continued its practice of keeping them informed through written communication or general meetings on matters affecting them as employees and the various factors affecting the performance of the Company. This is achieved through regular meetings between management and staff of the Company. The employees, to the best of their ability are encouraged to participate in the activities of the Company. The Company also places emphasis on employee development and training. Members of staff embarked on different training programs in the course of the year.

11.Diversity in employment and gender representation

The number and percentage of male and female employed during the financial year vis-à-vis total workforce was as follows:

For the year ended 31 December 2021:

	Male Number	**Female Number**	**Total Number**	**Male Percentage**	**Female Percentage**
Employees	29	20	49	59%	41%
Gender analysis of the Board and top management is as follows:					
Board members	6	1	7	86%	14%
Top Management staff	4	8	12	33%	67%
Total	**10**	**9**	**19**		
Detailed analysis of the Board and top management is as follows:					
Executive Director (including CEO)	2	-	2	100%	0%
Non-Executive Directors (including Chairman)	4	1	5	80%	20%
Principal Manager	1	1	2	50%	50%
Senior Manager	1	1	2	50%	50%
Manager	-	2	2	0%	100%
Deputy Manager	1	1	2	50%	50%
Assistant Manager	1	3	4	25%	75%
Total	**10**	**9**	**19**		

For the year ended 31 December 2020:

	Male Number	Female Number	Total Number	Male Percentage	Female Percentage
Employees	27	18	45	60%	40%

Gender analysis of the Board and top management is as follows:

Board members	6	1	7	86%	14%
Top Management staff	5	7	12	42%	58%
Total	11	8	19		

Detailed analysis of the Board and top management is as follows:

Executive Director (including CEO)	2	0	2	100%	0%
Non-Executive Directors (including Chairman)	4	1	5	80%	20%
Principal Manager	1	1	2	50%	50%
Senior Manager	1	0	1	100%	0%
Manager	0	3	3	0%	100%
Deputy Manager	1	0	1	100%	0%
Assistant Manager	2	3	5	40%	60%
Total	11	8	19		

12. Charitable Donations

During the year, the Company made a total of N100,000 to the following organization during the year (31 December 2020: N17,361,739)

Beneficiaries	Purpose	31-Dec-21	31-Dec-20
Travellers Weekend	Support for Aviation and Cargo conference	100,000	
CACOVID	COVID-19 Relief Support		10,000,000
Nigeria Insurers Association	Nigeria Insurance Industry Initiative on Consolidated Insurance Bill 2020		7,361,739
		100,000	17,361,739

13. Acquisition of own shares

The Company did not purchase any of its own shares during the year (31 December 2020: Nil)..

14. Events after the reporting period

There were no events after the end of the reporting period which could have a material effect on the financial position of the Company as at 31 December 2021 or the financial performance for the year ended on that date that have not been adequately recognised and/or disclosed.

Auditor

Messrs KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the company, in accordance with Section 357(2) of the Companies and Allied Matters Act of Nigeria, Cap C20 LFN 2004. Therefore, the auditors will be re-appointed at the next annual general meeting of the company without any resolution being passed.

By order of the Board

PAC SOLICITORS
Company Secretary

Onwubere, Chidinma Ihuoma
PAC SOLICITORS
Company Secretary
FRC/2015/NBA/00000011359
28 February 2022

CORPORATE GOVERNANCE REPORT

a. Introduction

FIN Insurance Company Limited has in place an effective governance mechanism that not only ensures proper over-sight of its business by the Directors and other principal organs of the Company, but also carries on its business in a manner that engenders public trust and confidence while meeting the expectations of all stakeholders.

b. Shareholding

The Company is principally owned by Cornerstone Insurance PLC (96.68%), Bancassurance Limited (2.63%), Gombe State Investment and Property Development (0.51%), Bauchi State Investment and Property Development (0.04%), other institutional investors and individuals (0.14%).

c. Board of Directors

Our Corporate Governance policies and strategies are formulated by our Board of Directors which comprises members from different industries with a good blend of skills and in depth knowledge of the industry. The Board is responsible for the overall supervision of the Company and takes appropriate action to protect the interest of the shareholders and other stakeholders. The Board is responsible for providing entrepreneurial leadership for the Company within a framework of prudent and effective controls. It sets out the strategic direction, objectives, values and standards of the Company and ensures that the necessary financial, material and human resources are in place for the Company to meet its objectives and review Management performance. The Board meets every quarter and as frequently as exigencies demand on notice by the Chairman.

d. Board Structure

The Board is made up of a Non-Executive Chairman, two (2) Non-Executive Directors, two (2) Independent Non-Executive Directors and two (2) Executive Directors including the Managing Director/CEO. The Managing Director/Chief Executive Officer is responsible for the day to day running of the Company, assisted by the Management Committee.

e. Responsibilities of the Board

The Board is responsible for:

- Reviewing and providing guidance for The Company’s corporate and business strategy, major plans of action and risk policy.
- The review and approval of annual budgets and business plans; setting performance objectives, monitoring implementation and corporate performance.
- Overseeing major capital expenditures, acquisitions and divestitures.
- Monitoring the effectiveness of the governance practices under which the Company operates and making appropriate changes as necessary.
- Ensuring the integrity of the Company’s accounting and financial reporting systems, including the internal audit functions and that appropriate systems of control and risk monitoring are in place.
- Establishment of the various Committees of the Board including the terms of reference and review of reports of such Committees to address key areas of the Company’s business.

Board of Directors

NAME	**POSITION**
Mr. Paul Kokoricha	Chairman
Mr. Bashir Binji	Managing Director
Mr. Martins Uwuilekhue	Non- Executive Director
Mr. Afolabi Elebiju	Non- Executive Director
Mr Abdulkareem Mohammed Sani	Non- Executive Director (Independent)
Dr. Nkiru Balonwu	Non- Executive Director (Independent)
Mr. Peter Ekwueme	Executive Director

The Board meets at least every quarter but may hold extra-ordinary sessions to address urgent matters requiring the attention of the Board.

f. Board Committees

The Board carries out its oversight functions using its various Board Committees. This makes for efficiency and allows for a deeper attention to specific matters for the board. The Committees are set up in line with statutory and regulatory requirements and consistent with global best practice.

Membership of the Committees of the Board is intended to make the best use of the skills and experience of non-executive directors in particular.

The Committees have well defined terms of reference and Charters defining their scope of responsibilities in such a way as to avoid overlap of functions.
The Committees of the Board meet quarterly but may hold extraordinary sessions as business of the Company demands.

The following are the current standing Committees of the Board:

i. Finance, Investment and General Purpose Committee (FIGP)

The FIGP Committee is currently made up of five (5) members and is chaired by a non-executive Director. The Committee considers the financial statements of the Company as well as the performance of the Company and compares it with budget. The FIGP Committee also assists the Board in making decisions relating to the Company's investment policies and makes recommendations to the Board on the Company's policy for investment and monitors the implementation of the Company's investment policies and procedures.

The membership of the Committee is as follows:

Mr. Afolabi Elebiju	Chairman
Mr. Martins Uwuilekhue	Member
Mr Abdulkareem Mohammed Sani	Member
Mr. Bashir Binji	Member
Mr. Peter Ekwueme	Member

ii. Enterprise Risk Management and Governance committee

The Committee has oversight responsibility for the overall risk assessment of various areas of the Company's operations and performance and risk management systems to ensure effective risk management through appropriate control systems. The Committee makes recommendations to the Board on the Company's policy and structure for remuneration of all Board members and Senior Management reviews the structure, size, composition and succession of the Board, oversees human capital management, implements processes for Board evaluation, recommends policies and structures for effective corporate governance in line with best practices and carries out other matters delegated to it by the Board

The membership of the Committee is as follows:

Dr. Nkiru Balonwu	Chairman
Mr. Afolabi Elebiju	Member
Mr Abdulkareem Mohammed Sani	Member

iii. Audit and Compliance Committee

The Committee provides oversight of the Company's financial reporting process, its audit processes, the system of internal controls and compliance with laws and regulations. The Committee reviews the results of each financial year audit with Management and the External Auditors, including matters required to be communicated to the Committee under generally accepted auditing standards. The Committee meets at least once every quarter

The membership of the Committee is as follows:

Mr Abdulkareem Mohammed Sani	Chairman
Mr. Martins Uwuilekhue	Member
Dr. Nkiru Balonwu	Member

BOARD AND BOARD COMMITTEES MEETINGS

The table below shows the frequency of meetings of the Board of Directors, Board Committees and members' attendance at these meetings during the year under review.

DIRECTORS	26-Jan-21	16-Feb-21	16-Apr-21	18-Oct-21	9-Dec-21
Mr. Paul Kokoricha	Y	Y	Y	Y	Y
Mr. Bashir Binji	Y	Y	Y	Y	Y
Mr. Martins Uwuilekhue	N	Y	Y	Y	Y
Mr Abdulkareem Mohammed Sani	Y	Y	Y	Y	Y
Mr. Afolabi Elebiju	Y	Y	Y	Y	Y
Dr. Nkiru Balonwu	Y	Y	Y	N	Y
Mr. Peter Ekwueme	Y	Y	Y	Y	Y

Key: NYA-Not Yet Appointed, NLD-No Longer Director, Y-Present, N-Absent

The membership and attendance register of the members of the various Board Committee as at 31st December,2021 was as follows:

Directors	Enterprise Risk Management & Governance Committee	Audit & Compliance Committee	Finance Investment and General Purpose Committee
	21 January 2021 13 April 2021 15 July 2021 14 October 2021	21 January 2021 10 February 2021 13 April 2021 15 July 2021 14 October 2021	21 January 2021 13 April 2021 15 July 2021 14 October 2021 09 November 2021
Number of Meetings	**4**	**5**	**5**
Mr. Paul Kokoricha	N/A	N/A	N/A
Mr. Bashir Binji	N/A	N/A	5
Mr. Martins Uwuilekhue	N/A	4	5
Mr Abdulkareem Mohammed Sani	4	5	5
Mr. Afolabi Elebiju	4	5	N/A
Dr Nkiru Balonwu	4	N/A	N/A
Mr. Peter Ekwueme	N/A	5	5

Key: N/A-Not applicable, NLD-No Longer Director

Management Committee

The Management Committee comprises the senior management of the Company and has been established to identify, analyse, and make recommendations on risks arising from day-to-day activities. They also ensure that risk limits as contained in the Board and Regulatory policies are complied with. Members of the management committee make contributions to the respective Board Committees and also ensure that recommendations of the Board Committees are effectively and efficiently implemented. They meet monthly and as frequently as the need arises.

Relationship with Shareholders

The Company maintains an effective communication with its shareholders, which enables them understand the business, financial condition and operating performance and trends. In addition to the Annual Report and Accounts, the Company maintains an up to date website that provides information on a wide range of issues for all stakeholders.

Statement of Directors' Responsibilities

The Directors accept responsibility for the preparation of the Audited Financial Statements of the company for the year ended 31 December 2021 which gives a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act ,2020 , the Financial Reporting Council of Nigeria Act, 2011, Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM') circulars.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act 2020 , and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Paul Kokoricha (Chairman)
Chairman
FRC/2015/ICAN/00000013047
28 February 2022

Bashir Binji
Managing Director
FRC/2016/CIIN/00000015624
28 February 2022

Statement of Corporate Responsibility

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA),2020 , we , the Managing Director and Head of Finance, hereby certify the financial statements of FIN Insurance Company Limited for the year ended 31 December 2021 as follows:

(a) That we have reviewed the audited financial statements of the Company for the period ended 31 December 2021

(b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading in the light of the circumstances under which such statement was

(c) That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended

(d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the

(e) That we have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of audited financial statements, and certify that the Company's internal controls are effective as of that date.

(f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses

(e) That we have disclosed the following information to the Company's Auditors and Audit Committee

   (i) there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise, and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls, and

   (ii) there is no fraud that involves management or other employees who have a significant role in the Company's internal control

Bashir Binji	Taiwo David
Managing Director	Head, Finance
FRC/2016/CIIN/00000015624	FRC/2019/004/00000020216
28 February 2022	28 February 2022

Report of the Audit Committee

For the year ended 31 December, 2021

To the Members of **FIN Insurance Company Limited**

In accordance with the provisions of Section 404 (7) of the Companies and Allied Matters Act 2020, the members of the Audit Committee of FIN Insurance Company Limited hereby report as follows:

1 The scope and planning of the audit were adequate in our opinion

2 The accounting and reporting policies of the Company are in accordance with statutory requirements and agreed ethical

3 The internal control was being constantly and effectively monitored

4 The external auditors' management report received satisfactory response from management

Mr Abdulkareem Mohammed Sani
Chairman, Audit & Compliance Committee
FRC/2015/ICAN/00000010685
28 February 2022

Members of the Audit & Compliance Committee are:

Mr Abdulkareem Mohammed Sani	-	Chairman
Mr. Martins Uwuilekhue	-	Member
Dr. Nkiru Balonwu	-	Member

Risk Management Declaration

For the year ended 31 December 2021

We, the Directors on behalf of Fin Insurance Company Limited, hereby endorse to the best of our knowledge and belief, having made appropriate enquiries that:

a. The Company has instituted an operational structure aimed at adhering to the guidelines established by the National Insurance Commission in relation to establishing a risk management framework for Insurers and Reinsurers in Nigeria;

b. The Board is satisfied with the efficacy of the methods surrounding the production of financial information of the Company;

c. The Enterprise Risk Management and Internal Control structure functions are embedded in the Company's operational framework and are functioning effectively.

Mr. Paul Kokoricha
Chairman
FRC/2015/ICAN/0000001304
28 February 2022

Mr. Bashir Binji
Managing Director
FRC/2016/CIIN/00000015624
28 February 2022

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

Telephone 234 (1) 271 8955
234 (1) 271 8599
Internet www.kpmg.com/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **FIN Insurance Company Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FIN Insurance Company Limited ('the Company'), which comprise:

- statements of financial position as at 31 December, 2021;
- statements of profit or loss and other comprehensive income;
- statements of changes in equity;
- statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Actuarial Valuation of Insurance Contract Liabilities

The actuarial valuation of insurance contract liabilities involves high estimation uncertainties and the application of significant judgment over uncertain future outcomes.

Provisions for reported claims are based on historical experience, however, the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liability for claims that have been incurred but not yet reported in respect of non-life insurance contract liabilities involves significant assumptions such as projected cash flows, claims development, ultimate loss ratio, inflation rates and discount rates.

The level of complexity, the assumptions and judgment involved in estimating these amounts resulted in the actuarial valuation of insurance contract liabilities being a matter of significance to our audit.

How the matter was addressed in our audit

Our audit procedures included the following:

- We evaluated the design, implementation and operating effectiveness of key controls instituted by the Company around the collection of which includes management review of data used for the valuation of insurance contract liabilities.

- We tested the accuracy and completeness of the underlying data used in actuarial valuations on a sample basis by agreeing it to relevant source documentation.

- We engaged our actuarial specialists to assess the reasonableness of the methodology used by the Company's external actuaries in determining the insurance contract liabilities. This involved an assessment of the appropriateness of the valuation methods and the inputs applied.

- With the assistance of our actuarial specialist, we evaluated the reasonableness of the actuarial assumptions used by the Company's external actuaries and performed liability adequacy tests on insurance contract liabilities including assumptions and estimates on the projected cash flows, claims development, ultimate loss ratio, inflation rates and discount rates.

Refer to the company's accounting policy on insurance contract liabilities (note 3p(i), critical accounting estimates and judgements (note 4b(i)) and related disclosures on insurance risk (note 50) of the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Directors' Report, Corporate Governance Report, Statement of Directors' Responsibilities, Statement of Corporate Responsibility, Audit Committee Report, Risk Management Declaration and Other National Disclosures, which we obtained prior to the date of this auditor's report. It also comprises the Chairman's Statement and the Profiles of the Directors which are expected to be made available to us after the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

We also provide Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020 and section 28(2) of the Insurance Act 2003.

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.

iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Compliance with the requirements of section 1.17 of the National Insurance Commission (NAICOM) 2011 operational guidelines for Insurers and Reinsurers.

The company did not pay any penalty in respect of contraventions during the year ended 31 December 2021. Details of penalties are disclosed in note 44 to the financial statements.

Akinyemi J. Ashade, FCA
FRC/2013/ICAN/00000000786
For: KPMG Professional Services
Chartered Accountants
14 March 2022
Lagos, Nigeria

Statement of Financial Position as at

In thousands of Naira	Notes	31-Dec-21	31-Dec-20
Assets			
Cash and cash equivalents	5	4,337,564	3,127,815
Investment securities	6	3,383,988	3,601,409
Trade receivables	7	44,996	45,904
Reinsurance assets	8	690,926	468,970
Deferred acquisition cost	9	126,180	89,042
Other receivables and prepayments	10	255,960	69,012
Investment in joint venture	11	230	133,556
Investment properties	12	625,000	602,000
Intangible assets	13	8,408	4,148
Property and equipment	14	1,697,147	1,612,722
Right of use assets	15	-	1,842
Statutory deposits	16	500,000	500,000
Total Assets		11,670,399	10,256,420
Liabilities			
Insurance contract liabilities	17	1,725,268	1,338,170
Trade payables	18	343,163	227,678
Accrual and other liabilities	19	232,701	217,706
Current income tax liabilities	20	99,306	138,268
Deferred tax liability	21	64,815	39,142
Total liabilities		2,465,254	1,960,964
Net assets		9,205,145	8,295,456
Equity			
Ordinary share capital	22	5,000,000	5,000,000
Share premium	23	93,878	93,878
Statutory contingency reserve	24	1,296,658	1,147,775
Other reserves	25	1,028,144	862,872
Retained earnings	26	1,786,465	1,190,931
Total equity		9,205,145	8,295,456

The financial statements were approved by the Board of Directors on 28 February 2022 and signed on its behalf by:

Mr. Paul Kokoricha
Chairman
FRC/2015/ICAN/00000013047

Mr. Bashir Binji
Managing Director
FRC/2016/CIIN/00000015624

Taiwo David
Head, Finance
FRC/2019/004/00000020216

The accompanying notes form an integral part of these financial statements

Statement of Profit or Loss and Other Comprehensive Income
for the period ended 31 December 2021

In thousands of Naira	**Notes**	**31-Dec-21**	**31-Dec-20**
Gross premium written	27	2,242,850	1,561,068
Gross premium earned	29(a)	2,098,927	1,350,951
Reinsurance expenses	28	(1,184,361)	(668,094)
Net premium earned		914,566	682,857
Fees and commission income	29	245,652	151,258
Net underwriting income		1,160,218	834,115
Gross claims incurred	30	(543,851)	(533,832)
Claim recoveries from reinsurers & others	30	222,873	99,812
Underwriting expenses	31	(469,439)	(298,553)
Underwriting result		369,801	101,542
Investment income	32	1,097,034	980,894
Fair value gain on investment property	33	23,000	42,000
Other operating income	34	1,674	97,239
Share of gain/(loss) from joint venture	11	27,031	(127,632)
Net operating income		1,518,540	1,094,043
Personnel expenses	35	(394,020)	(369,197)
Depreciation of property & equipment	14	(39,279)	(37,389)
Depreciation of Right-of-use -assets	15	-	(12,001)
Amortisation	13	(3,003)	(359)
Other operating expenses	36	(244,302)	(222,431)
Profit before minimum tax		837,936	452,666
Minimum tax	37	-	(3,377)
Profit before tax			
Income tax expense	37	(93,517)	(37,846)
Profit for the period		744,419	411,443
Other comprehensive income:			
Items that are or may be classified to profit or loss:			
Fair value gain on available for sale equities	6a	117,725	34,794
		117,725	34,794
Items that will not be reclassified to profit or loss:			
Revaluation gain on land and building	14a(ii)	52,830	104,446
Tax effects on other comprehensive income	21(b)	(5,283)	(10,445)
		47,547	94,001
Other comprehensive income, net of tax		165,272	128,795
Total comprehensive income for the period		909,692	540,238
Profit attributable to shareholders of the company		744,419	411,443
Total comprehensive income attributable to shareholders		909,692	540,238
Basic earnings per share (kobo)	38	15k	8k

The accompanying notes form an integral part of these financial statements

Statements of Changes in Equity

as at 31 December 2021

In thousands of Naira	**Share Capital**	**Share premium**	**Fair value reserves**	**Asset revaluation reserve**	**Other Reserves**	**Statutory contingency reserve**	**Retained earnings**	**Total**
Balance as at 1 January 2021	5,000,000	93,878	19,655	843,217	862,872	1,147,775	1,190,931	8,295,456
Total comprehensive income for the period								
Profit for the year	-	-	-	-		-	744,419	744,419
Transfer to statutory contingency reserves	-	-	-	-		148,884	(148,884)	-
								-
	-	-	-	-	-	148,884	595,534	744,418
Other comprehensive income								
Fair value gain on available-for-sale financial assets	-	-	117,725	-	117,725	-	-	117,725
Revaluation gain on land and building, net of taxes	-	-		47,547	47,547	-	-	47,547
Total comprehensive income for the period	-	-	117,725	47,547	165,272	148,884	595,534	909,690
Transactions with owners, recorded directly in equity								-
Total transactions with owners	-	-	-	-	-	-	-	-
Balance as at 31 December 2021	**5,000,000**	**93,878**	**137,380**	**890,764**	**1,028,144**	**1,296,658**	**1,786,465**	**9,205,145**

The accompanying notes form an integral part of these financial statements

Statements of Changes in Equity

as at 31 December 2020

In thousands of Naira	**Share Capital**	**Share premium**	**Fair value reserves**	**Asset revaluation reserve**	**Other Reserves**	**Statutory contingency reserve**	**Retained earnings**	**Total**
Balance as at 1 January 2020	3,300,000	93,878	(15,139)	749,216	734,077	1,065,486	2,361,777	7,555,218
Total comprehensive income for the year								
Profit for the period	-	-	-	-		-	411,443	411,443
Prior year adjustments								-
Transfer to contingency reserves	-	-	-	-		82,289	(82,289)	-
	-	-	-	-	-	82,289	329,154	411,443
	-	-	-	-				-
Other comprehensive income								-
Fair value gain on available-for-sale financial assets	-	-	34,794	-	34,794	-	-	34,794
Revaluation gain on land and building, net of taxes	-	-	-	94,001	94,001	-	-	94,001
Total comprehensive income for the period	-	-	34,794	94,001	128,795	82,289	329,154	540,238
Transactions with owners, recorded directly in equity								-
Issue of right shares	200,000	-	-	-		-	-	200,000
Issue of bonus shares	1,500,000	-	-			-	(1,500,000)	-
Total transactions with owners	1,700,000	-	-	-	-	-	(1,500,000)	200,000
Balance as at 31 December 2020	**5,000,000**	**93,878**	**19,655**	**843,217**	**862,872**	**1,147,775**	**1,190,931**	**8,295,456**

The accompanying notes form an integral part of these financial statements

Statement of Cash Flows

for the period ended 31 December 2021

In thousands of Naira	**Note**	**31-Dec-21**	**31-Dec-2020**
Cash flow from operating activities			
Insurance premium received	45(a)	2,250,987	1,518,864
Reinsurance premium paid	45(b)	(1,251,396)	(754,359)
Reinsurance commission received	45(c)	209,292	118,214
Reinsurance claim received	45(d)	135,826	141,190
Recoveries from salvage	30	4,020	4,848
Additions to Right-of-use asset	15	-	(10,117)
Insurance benefits and claims paid	30	(300,677)	(432,529)
Commission paid	31(a)	(403,998)	(271,937)
Maintenance cost paid	31(a)	(102,578)	(77,384)
Cash paid to employees	35	(394,020)	(369,197)
Additions to statutory deposit	16	-	(200,000)
Corporate tax paid	20	(112,089)	(22,210)
Management expenses and other operating cashflow	45(e)	213,603	404,103
Net cash used in operating activities		248,970	49,486
Cash flows from investing activities:			
Interest income received	45(f)	448,233	178,017
Rent received	45(h)	12,500	5,000
Dividend income received	45(g)	51,463	58,536
Proceeds on disposal of property and equipment	45(i)	139	33,000
Purchase of intangible assets	13	(7,264)	(4,507)
Purchase of property and equipment	14	(70,872)	(14,519)
Purchase of Held to maturity investment	6(b)(i)	(1,412,604)	(2,751,930)
Proceed on disposal/redemption of held to maturity investment	6(b)(i)	1,939,183	365,206
proceed on disposal of quoted equities	32(b)	-	564,948
Net cash generated from/ used in investing activities		**960,779**	**(1,566,249)**
Cash flows from financing activities:			
Cost associated with right issue of shares	22	-	200,000
Net cash generated from/ used in financing activities		**-**	**200,000**
Net Increase/ (decrease) in cash and cash equivalents		1,209,749	(1,316,763)
Cash and cash equivalents at beginning of period		3,127,815	4,444,578
Cash and cash equivalents at end of period	5	**4,337,564**	**3,127,815**

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

1 Reporting Entity

FIN Insurance Company Limited was incorporated in 1981 as Yankari Insurance Company Limited and commenced business in January 1983. It traded in this name until 2007 when it was acquired by Finbank Plc, a former subsidiary of FCMB Plc. The name was changed to FIN Insurance Company Limited in 2008. FIN Insurance Company Limited is incorporated in Nigeria under the Companies and Allied Matters Act as a limited liability company and it is domiciled in Nigeria. It is currently a subsidiary of Cornerstone Insurance Plc.

The registered office of the Company is 34 Gana Street Maitama FCT-Abuja.

The main activity of the Company is the provision of General insurance business. This includes Fire insurance, Motorinsurance, Accident insurance, Marine insurance and other non-life insurance services.

1.1 Going concern

The financial statements have been prepared using appropriate accounting policies, supported by reasonable judgment and estimates. The directors have a reasonable expectation, based on an appropriate assessment of a comprehensive range of factors, that the company has adequate resources to continue as a going concern for the foreseeable future.

2 Basis of preparation

(a) Statement of compliance

These financial statements for the year ended 31 December 2021 have been prepared in accordance with, and comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and its interpretation committee effective and available as at 31 December 2021. comply with the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria Act, 2011, The financial statements the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") circulars.

(b) Functional and presentation currency

The financial statements are presented in Naira, which is the Company's functional currency. Financial information presented in Naira has been rounded to the nearest thousands except where indicated.

(c) Basis of measurement

The financial statements have been

Measurement basis	**Details**
(i) At fair value	• available-for-sale financial assets;
	• investment properties
	• insurance contract liabilities
(ii) At amortised cost	• loans and receivables;
	• held to maturity financial instruments;
	• financial liabilities at amortised cost;

The Company adopts the accrual basis of accounting where it records accounting transactions for revenue when earned and expenses when incurred.

(d) Reporting period

The financial statements have been prepared for the year ended 31 December 2021. The financial statements were authorised for issue by the Directors on 28 February 2022.

(e) Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed in note 4.

3 Summary of significant accounting policies

The Company consistently applied the following accounting policies to the periods presented in the financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of equity investments in respect of which an election has been made to present subsequent changes in fair value in OCI are recognised in OCI.

(b) Cash and cash equivalents

Cash comprises cash in hand, and deposit placements. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risk of changes in their fair value. Cash equivalents comprise investments with original maturities of three months or less and used by the Company to manage its short - term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(c) Financial instruments

The classification of the Company's financial instruments depends on the nature and purpose of the instruments and are determined at the time of initial recognition.

(i) Classification of financial assets

The financial assets have been recognised in the statement of financial position and measured in accordance with their assigned classifications. The Company classifies its financial assets into the following categories:

•Available-for-sale (AFS) financial assets,
•Held to maturity,
•Loans and receivables

Available-for-sale financial assets (AFS)

Available-for-sale financial instruments are non-derivatives that are either designated as AFS or are not classified as:

(a) loans and receivables;
(b) held-to-maturity investments; or
(c) financial assets at fair value through profit or loss.

The Company's quoted and unquoted equities are classified as Available for Sale.

Held to maturity

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company has the positive intent and ability to hold to maturity, and which are not designated as at fair value through profit or loss or as available-for-sale. The Company's investment in treasury bills and bonds are classified as held to maturity financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. This includes trade receivables, reinsurance receivables and other receivables.

(ii) Classification of financial liabilities

Financial liabilities can be classified as fair value through profit or loss or as other financial liabilities. A financial liability is classified as fair value through profit or loss if it is held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. The rest of the financial liabilities are classified as other financial liabilities. The Company's financial liabilities are classified as other financial liabilities. They include trade and other payables. Financial liabilities have been recognised in the statement of financial position and measured at amortised cost in line with their assigned classifications.

(iii) Initial recognition and measurement

All financial instruments are initially recognized at fair value, which includes directly attributable transaction costs for financial instruments that are not classified as fair value through profit and loss.

(iv) Subsequent measurement

Subsequent to initial recognition, financial assets are measured either at fair value or amortised cost, depending on their classification:

Available-for-sale financial assets (AFS)
Available-for-sale financial assets are carried at fair value, with the exception of investments in equity instruments where fair value cannot be reliably determined, which are carried at cost. The fair values for quoted instruments are determined by reference to regulated exchange quoted ruling prices or other quoted prices. If quoted market prices are not available, reference is also made to readily and regularly available broker or dealer price quotations.

The fair values of unquoted equities and other instruments for which there is no active market, are established using valuation techniques. These include the use of recent arm's length transactions, reference to the current market value of other instruments that are substantially the same and discounted cash flow analysis. Where the fair value of financial assets is determined using discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market related rate for a similar instrument.

Available for sale equity instruments for which fair value cannot be reliably determined are carried at cost less impairment allowance (if any). Changes in the fair value of available-for-sale financial assets are recognized in the statement of other comprehensive income. When an AFS carried at fair value is disposed of, the cumulative gain or loss previously accumulated in the AFS reserve is reclassified to profit or loss account. Dividends on AFS equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established.

Loans and receivables
Loans and receivables comprise of trade receivables, reinsurance receivables and other receivables.

Loans and receivables, after initial measurement, are measured at amortized cost, using the effective interest rate method less any impairment (if any). Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate.

Loans granted to staff at below market rates are fair valued by reference to expected future cash flows and current market interest rates for instruments in a comparable or similar risk class and the difference between the historical cost and fair value is accounted for as employee benefits under staff costs.

Trade receivables arising under insurance contracts are recognized when due. These include premium due from agents, brokers, co-assurers and insurance contract holders for which credit notes issued are within 30 days, in conformity with the "No premium no cover" policy. Trade receivables are stated at cost less impairment.

Held to maturity
Held-to-maturity investments are carried at amortised cost using the effective interest method, less any impairment losses. A sale or reclassification of a more than insignificant amount of held-to-maturity investments would result in the reclassification of all held-to-maturity investments as available-for-sale, and would prevent the Company from classifying investment securities as held-to-maturity for the current and the following two financial years. However, sales and reclassification in any of the following circumstances would not trigger a reclassification:

•sales or reclassifications that are so close to maturity that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;

•sales or reclassifications after the Company has collected substantially all of the asset's original principal; and

•sales or reclassifications that are attributable to non-recurring isolated events beyond the Company's control that could not have been reasonably anticipated.

Financial liabilities
Subsequent to initial recognition, other financial liabilities are measured at amortised cost. Trade payables are recognized when due. These include amounts due to agents, reinsurers, co-assurers and insurance contract holders. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(v) Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or liability measured at fair value has a bid price and an ask price, then the Company measures the assets and long positions at a bid price and liabilities and short positions at an ask price. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date is less than one year, discounting is omitted.

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(vi) Impairment of financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that a financial asset or group of financial assets is impairment could include:
•Significant financial difficulty of the issuer or counter party;
•Breach of contract, such as a default or delinquency in interest or principal payments;
•It becoming probable that the borrower will enter bankruptcy or other financial re-organization;
•The disappearance of an active market for that financial asset because of financial difficulties.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Company considers a decline of 20% to be significant or a period of nine months to be prolonged.

Loans and receivables and held to maturity

For loans and receivables and held to maturity instruments, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

When the asset is impaired, impairment losses are recognised in profit or loss and reflected in an allowance account against loans and receivables and held to maturity instruments. Interest on the impaired assets continues to be recognised through the unwinding of the discount.

Trade receivables

An impairment is established when there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows have been impaired. The carrying amount of the financial asset is reduced by the impairment loss through the use of an allowance account and recognized as impairment loss in income statement.

The Company's allowance for impairment is based on incurred loss model for each customer. The probability of default and the age of the debts are also taken into account in arriving at the impairment amount.
When a trade receivable is considered uncollectible, it is written off against the impairment allowance account.

Available-for-sale financial assets (AFS)

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss.

If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss

(vii) De-recognition of financial assets and financial liabilities

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and financial liability separately.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) Impairment of other non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cashgenerating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(e) Reinsurance assets

The Company cedes insurance in the normal course of business in order to limit its net loss potential for losses arising from certain exposures. The cost of reinsurance related to long-term contracts is accounted for over the life of the underlying reinsured policies, using assumptions consistent with those used to account for these policies. However, reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders.

Reinsurance assets include balances due from various reinsurance companies for ceded insurance contracts. Amounts recoverable from reinsurers are estimated in a manner consistent with the underlying reinsurance contract.

Reinsurance assets are assessed for impairment at each reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due under the contract terms and that event has a reliably measurable impact on the amounts the Company will receive from the reinsurer.

The Company has the right to set off reinsurance payables against amounts due from reinsurers and coassurers in line with the agreed arrangement between both parties.

(f) Deferred acquisition costs

The incremental costs directly attributable to the acquisition of new business which had not expired at the reporting date, are deferred by recognizing an asset. For non-life insurance contracts, acquisition costs include both incremental acquisition costs and other indirect costs of acquiring and processing new businesses. Deferred acquisition costs are amortised in the income statement systematically over the life of the contracts.

(g) Other receivables and prepayments

Other receivables balances include dividend receivable, sundry receivables and prepayments. Prepayment are essentially prepaid rents and staff upfront payments. Other receivables are carried at amortised cost less accumulated impairment losses.

(h) Interests in equity-accounted investees

The Company's interest in equity-accounted investees comprise investment in joint venture.

A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. An investment in a joint venture is accounted for using the equity method. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss and OCI of equity-accounted investees (the joint venture), until the date on which joint control ceases.

(i) Investment properties

Investment properties are properties held for long-term rental yields or for capital appreciation (including property under construction for such purposes) or for both purposes, but not for sale in the ordinary course of business.

Recognition and measurement

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. Investment properties are measured initially at fair value, including all transaction costs.

Subsequent measurement

Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in the statement of profit or loss in the period in which they arise. Fair values are evaluated and assessed annually by an external valuer who is accredited by the Financial Reporting Council of Nigeria.

De-recognition

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in the income statement in the period of derecognition.

Transfers

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change. Subsequently, the property is re-measured to fair value and reclassified as investment property.

Notes to the financial statements

(j) Property and equipments

Recognition and measurement

Property and equipment comprise land, building and equipments owned by the company. Land and building are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses.

Revaluations are performed with sufficient regularity such that the carrying amount do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and building is recognised in profit or loss to the extent that it exceeds the balance, if any held in the properties revaluation reserve relating to a previous revaluation of that assets.

Furniture, fittings and other equipments are stated at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs

Subsequent expenditures are recognized in the carrying amount of the asset or as a separate asset as appropriate if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be reliably measured. The costs of the day-to-day servicing of property and equipment are recognized in the statement of profit or loss as incurred.

Depreciation

Depreciation is recognized so as to allocate the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management

The estimated useful lives of property and equipment are as follows:

Land	Not depreciated
Building	50 years
Furniture and office equipment	5 years
Computer hardware	3 years
Motor vehicles	4 years
Plant and machinery	4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss of the year that the asset is de-recognized.

(k) Intangible assets

Acquired computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Computer software is stated at cost less amortization and impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Costs associated with maintaining computer software programmes are recognized as an expense as incurred.

Amortization

Computer software costs, whether developed or acquired, are amortized for a period of three years using the straight line method.

Intangible assets which are not available for use are tested for impairment annually. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate

An intangible asset shall be derecognised by the Company on disposal; or when no future economic benefit are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period the asset is recognised.

Amortisation of intangible asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management

(l) Current taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is recognized in other comprehensive income or directly in equity respectively.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

The current taxes include: Company Income Tax at 30% of taxable profit; Education Tax at 2.5% of assessable profit; Capital Gain Tax at 10% of chargeable gains, Information Technology Development levy at 1% of accounting profit and Police trust fund levy at 0.005% of Net profit.

Minimum tax

The Company is subject to the Finance Act (amendments made to Companies Income Tax Act (CITA)). Total amount of tax payable under the new Finance Act shall not be less than 0.25% of the Company's gross premium. Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax is not recognised for:

* temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting not taxable profit or loss;

* temporary differences related to investment in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
* taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future tax profits will be available against which they can be used. Future taxable profit are determined based on the reversal of relevant taxable taxable temporary differences. If the amount of the taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of the future taxable profits.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose,the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this

Deferred tax assets and liabilites are offset only if certain criteria are met.

(m) Statutory deposits

Statutory deposits are cash balances held with the Central Bank of Nigeria (CBN) in compliance with the Insurance Act, CAP 117, LFN 2004 for the general insurance companies. The deposits are only available as a last resort to the Company if it goes into liquidation. Statutory deposits are measured at cost.

(n) Hypothecation of assets

The Company allocated its assets between the insurance funds and shareholders funds to meet the requirements of the Insurance Act 2003. The assets hypothecated are shown in note 51 to the financial statements.

(o) Provisions, Contingent assets and liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or the Company has a present obligation as a result of past events which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability may crystallize.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
Contingent assets and liabilities are never recognised but are disclosed in the financial statements when they arise.

(p) Insurance contract liabilities

(i) Classification
IFRS 4 requires contracts written by insurers to be classified as either 'insurance contracts' or 'investment contracts' depending on the level of insurance risk transferred. Insurance contracts are those contracts where the insurer has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.
The Company only enters into insurance contracts. Therefore, its insurance contract liabilities represent the Company's liability to the policy holders. It comprises the unexpired risk reserve, outstanding claims and the incurred but not reported claims. At the end of each accounting period, this liability is reflected as determined by the actuarial valuation report.

Reserve for Unexpired risk
The provision for unearned premiums represents the proportion of premiums written in the periods up to the accounting date that relate to the unexpired terms of policies in force at the end of the reporting date.
This is estimated to be earned in subsequent financial periods, computed separately for each insurance contract using a time apportionment basis. Also, a provision for additional unexpired risk reserve (AURR) is recognised for an underwriting year where it is envisaged that the estimated cost of claims and expenses exceed the unearned premium provision.

Reserve for outstanding claims
Outstanding claims represent the estimated ultimate cost of settling all claims arising from incidents occurring prior to the end of reporting date, but not settled at that date.

Reserve for Incurred But Not Reported claims (IBNR)

A provision is made for claims incurred but not yet reported as at the end of the financial year. This provision is based on the liability adequacy test report.

Liability Adequacy Test
At the end of each reporting period, liability adequacy tests are performed to ensure that material and reasonably foreseeable losses arising from existing contractual obligations are recognised. In performing these tests, current best estimates of future contractual cash flows, claims handling and administration expenses, investment income backing such liabilities are considered. Long-term insurance contracts are measured based on assumptions set out at the inception of the contract. Any deficiency is charged to the statement of profit or loss by increasing the carrying amount of the related insurance liabilities.

The Liability Adequacy Test (LAT) was carried out by O & A Hedge Actuarial Consulting (Consultant Actuaries & Chartered Insurers) under the supervision of Mr. Abraham Layemo Bolorunduro with FRC number (FRC/2016/NAS/00000015764).

(ii) Recognition and measurement of insurance contracts

Premium

Gross written premiums for general insurance contracts comprise premiums received in cash as well as premiums that have been received and confirmed as being held on behalf of the Company by insurance brokers and duly certified thereto. Gross premiums are stated gross of commissions and taxes payable and stamp duties that are payable to intermediaries and relevant regulatory bodies respectively.

Unearned premiums represent the proportions of premiums written in the year that relate to the unexpired risk of policies in force at the reporting date.

Reinsurance

Premiums, losses and other amounts relating to reinsurance treaties are measured over the period from inception of a treaty to expiration of the related business. The actual profit or loss on reinsurance business is therefore not recognized at the inception but as such profit or loss emerges. In particular, any initial reinsurance commissions are recognized on the same basis as the acquisition costs incurred.

Premiums ceded, claims recovered and commission received are presented in the statement of profit or loss and statement of financial position separately from the gross amounts.

Reinsurance cost represents outward premium paid/payable to reinsurance companies less changes in the unexpired portion of the outward premium as at end of the financial year.

Claims

Claims incurred comprise claims and claims handling expenses paid during the financial year and changes in the provision for outstanding claims. Claims and claims handling expenses are charged to profit or loss as incurred.

(q) Employee benefits

(i) Short-term benefits

Staff benefits such as wages, salaries, paid annual leave allowance, and non-monetary benefits are recognized as employee benefit expenses. The expenses are accrued when the associated services are rendered by the employees of the Company.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(ii) Defined contribution scheme

The Company operates a defined contribution plan in accordance with the provisions of the Pension Reform Act 2014. The Company contributes 10% and employees contribute 8% each of the qualifying monthly emoluments in line with the Pension Reform Act.

The Company's monthly contribution to the plan is recognized as an expense in profit or loss.

The Company pays contributions to privately administered pension fund administration on a monthly basis. The Company has no further payment obligation once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available. Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy

(iv) Other employee benefits

Other employee benefits are expected when they are incurred. Other personnel expenses relates to other benefits paid to staff of the Company. There is no other constructive or contractual obligations on the company aside from the actual amounts incurred.

(r) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of its relative standalone price. However, for leases of branches and office premises the Company has elected not to separate nonlease components and accounts for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by analysing its borrowings from various the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease Payments that depend on an index or a Rate, initially measured using the index or Rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase Option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term leases and leases of low-value assets
The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. A significant proportion of the Company's leases are short term in nature. The lases of low values are N100,000 and below. Also, leases with period not more than one year are classifed as prepayments.

The Company acting as a lessor
At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices.

When the Company acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(s) Capital and reserves

(i) Share capital

The equity instruments issued by the Company are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.
Equity instruments aissued by the Company are recognized as the proceeds are received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(ii) Share premium
This represents the excess amount paid by shareholders on the nominal value of the shares. This amount can be utilized as provided in Section 120(3) of Companies Allied Matters Act. The share premium is classified as an equity instrument in the statement of financial position.

(iii) Contingency reserve
The Company maintains Contingency reserves for the general business in accordance with the provisions of S.21 (1) of the Insurance Act 2003.
In compliance with the regulatory requirements in respect of Contingency Reserve for general business, the Company credits its contingency reserve with an amount that is not less than 3% of gross premium or 20% of the total profit after taxation (whichever is greater) until the reserve reaches the greater of minimum paid up capital or 50% of net premium.

(iv) Retained earnings
The reserve comprises undistributed profit/ (loss) from previous years and the current year. Retained earnings is classified as part of equity in the statement of financial position.

(v) Fair value reserves
Fair value reserves represent the cumulative net change in the fair value of available-for-sale financial assets at the reporting date.

(vi) Asset revaluation reserve
The revaluation reserve relates to the surplus on revaluation of land and building at the end of the financial period. Increases in the value of these assets are recognised in other comprehensive income and accumulated in assets revaluation reserve until the assets are derecognised.

(t) Revenue recognition
(i)Gross written premium
Gross premium written comprises the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. It is recognised at the point of attachment of risk to a policy, gross of commission expense, and before deducting cost of reinsurance cover and unearned portion of the premium. Gross premium written and unearned premiums are measured in accordance with the policies set out in (p)(ii) of the statement of accounting policies.

(ii) Gross premium income
This represents the earned portion of premium received and is recognised as revenue including changes in unearned premium. Premiums are earned from the date of attachment of risk, over the insurance period, based on the pattern of risk underwritten.

(iii) Fees and commission income
Fees and commission income consists primarily of insurance agency and brokerage commission, reinsurance and profit commissions, policyholder administration fees and other contract fees.
Reinsurance commissions receivable are deferred in the same way as acquisition costs. All other fee and commission income is recognized as the services are provided.

(iv) Investment Income
Investment income consists of dividends, interest income on loans and receivables, interest income on held-to-maturity investments, and realized gains or losses as well as unrealised gains or losses on fair value assets.

Interest income
Interest income is recognized in the income statement as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognized as an adjustment to the effective interest rate of the instrument.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Where the estimated cash flows on financial assets are subsequently revised, other than impairment losses, the carrying amount of the financial assets is adjusted to reflect actual and revised

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised uasing the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Dividend income
Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

Realized and unrealised gains and losses

Realized gains and losses on investments include gains and losses on financial assets and investment properties. Gainas and losses on the sale of investments are calculated as the difference between net sales proceeds and the carrying value as recorded on occurrence of the sale transaction. Unrealised gains or losses represent the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognized unrealised gains and losses in respect of disposals during the year.

(v) Other operating income

Other operating income represents income generated from sources other than premium revenue and investment income. It includes rental income, profit on disposal of property & equipment. Rental income is recognized on an accrual basis.

(u) Expense recognition
(i) Insurance claims and benefits incurred
Gross benefits and claims consist of benefits and claims paid / payable to policyholders, which include changes in the gross valuation of insurance contract liabilities, except for gross change in the unearned premium provision which are recorded in premium income. It further includes internal and external claims handling costs that are directly related to the processing and settlement of claims. Amounts receivable in respect of salvage and subrogation are also considered.

Salvage
Some non-life insurance contracts permit the Company to sell (usually damaged) property acquired in the process of settling a claim.

Subrogation
Subrogation is the right of an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of receiving the amount of the claim paid to the insured for the loss.

(ii) Underwriting expenses
Underwriting expense include acquisition costs and maintenance expense. Acquisition costs comprise direct and indirect costs associated with the writing of insurance contracts. These include commission expenses and other technical expenses. Maintenance expenses are expenses incurred in servicing existing policies and clients. All underwriting expenses are charged to income statement as they accrue or become payable.

(iii) Management expenses
Management expenses are charged to profit or loss when goods are received or services rendered. They are expenses other than claims, maintenance and underwriting expenses and include employee benefits, depreciation charges and other operating expenses.

(v) New or amended standards and interpretations not yet effective

The following new standards, amendment to standards and interpretations are not yet effective for year ended 31 December 2021 and the Company has not applied the new or amended standards in preparing these financial statements.

Those standards, amendment to standards and interpretations which may be relevant to the Company are set out below:

(i) Financial Instruments (IFRS 9)

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. This version supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted (subject to local requirements).

IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39.

On 12 September 2016, the Board issued Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4) (the amendments). The amendments changed the existing IFRS 4 Insurance contracts (IFRS 4) to allow entities issuing insurance contracts within the scope of IFRS 4 to mitigate certain effects of applying IFRS 9 Financial Instruments before the IFRS 17 Insurance Contracts was to become effective 1 January 2023.

The various informational content and transition requirements of IFRS 9 has necessitated the need to gradually move towards its adoption from an early stage, this is because transition is retrospective, whilst still considering the provisions of IAS 8.

In order to maintain the high level of corporate governance practiced by Fin Insurance Company Limited and promote good project management, an IFRS 9 implementation project Committee has been constituted.

Amendments to IFRS 4 Applying IFRS 9 financial instruments with IFRS 4 insurance contracts.

As earlier indicated, the IASB published an amendment to IFRS 4 in September 2016, which addresses the concerns of insurance companies about the different effective dates of IFRS 9 Financial instruments and the forth-coming new insurance contracts standard, IFRS 17. The amendment provides two different solutions for insurance companies; a temporary exemption from IFRS 9 (i.e the deferral approach) for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approach'. Both approaches are optional. The effective date is 1 January 2018 or when the entity first applies IFRS 9. IFRS 4 (including the amendments) will be superseded by the forth-coming new insurance contracts standard, IFRS 17. Accordingly, both the temporary exmeption and the 'overlay approach' are expected to cease to be applicable when the new insurance standard becomes effective.

In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, the IASB issued amendments to IFRS 4 Insurance Contracts. The amendments reduce the impacts, but companies need to carefully consider their IFRS 9 implementation approach to decide if and how to use them. The two optional solutions raise someconsiderations which require detailed analysis and management judgement.

The optional solutions are:

1 **Temporary exemption from IFRS 9** – Some Companies will be permitted to continue to apply IAS 39 Financial Instruments: Recognition and Measurement. To qualify for this exemption the Company's activities need to be predominantly connected with insurance. A Company's activities are predominantlyconnected with insurance if, and only if:

(a) the amount of its insurance liabilities is significant compared with its total amount of liabilities; and

(b) the percentage of its liabilities connected with insurance relative to its total amount of liabilities is:

(i) greater than 90 percent; or

(ii) less than or equal to 90 percent but greater than 80 percent, and the Company does not engage in a significant activity unconnected with insurance.

Liabilities connected with insurance include investment contracts measured at FVTPL, and liabilities that arise because the insurer issues, or fulfils obligations arising from, these contracts (such as deferred tax liabilities arising on its insurance contracts).

2 **Overlay approach** – This solution provides an overlay approach to alleviate temporary accounting mismatches and volatility. For designated financial assets, a company is permitted to reclassify between profit or loss and other comprehensive income (OCI), the difference between the amounts recognised in profit or loss under IFRS 9 and those that would have been reported under IAS 39.

In order to qualify for the temporary exemption, an entity has to prove that its activities are predominantly connected to insurance as of 31 December 2015. Under the amended IFRS 4, this condition is met if the insurer carries significant liabilities arising from contracts within the scope of IFRS 4. A reassessment at a subsequent annual reporting date is required if, and only if, there was a change in the entity's activities during the annual period that ended on that date.

To determine if the Company's activities are predominantly connected with insurance, we have assessed the ratio of the Company's liabilities connected with insurance compared with its total liabilities. See assessment below:

LIABILITIES			**AS REPORTED (A)**	**ADMISSIBLE FOR PREDOMINANCE TEST (B)**
In thousands of Naira			**31-Dec-15**	**31-Dec-15**
Insurance contract liabilities			757,392	757,392
Trade payables			1,046	1,046
Accruals and other liabilities			293,366	180,573
Current income tax liabilities			92,590	-
			1,144,394	**939,011**
			Score = (B/A)%	**82%**

As at 31 December 2015, the Company's total carrying amount of liabilities connected with insurance represented more than 80% of its total liabilities.
The Company therefore concluded that it meets the requirement stated in 1b(ii) above as it meet the 80% threshold and does not engage in a significant activity other than those, which are insurance related. This is buttressed by the fact that the proportion of insurance related income (e.g. net premium) and expenses are significant in relation to the other income and expenses of the Company.

The Company has therefore opted to be temporarily exempted from adopting IFRS 9 until 1 January 2023 when IFRS 17, Insurance Contracts will be effective.

Fair value disclosures

(a) Financial assets measured at loans and receivables and amortised cost in line with IAS 39 are as follows:

31 December 2021 *In thousands of Naira*	**Loans and receivables**	**Financial instruments at amortised cost**	**Carrying amount**	**Fair value**
Cash and cash equivalents	4,337,564		4,337,564	4,337,564
Held-to-Maturity financial assets		2,716,453	2,716,453	2,716,453
Trade receivables	44,995		44,995	44,995
Reinsurance assets	214,572		214,572	214,572
Other receivables	26,111		26,111	26,111
Statutory deposits		500,000	500,000	500,000
	4,623,242	**3,216,453**	**7,839,695**	**7,839,695**

(b) Financial assets that meet the definition of financial assets designated at available for sale in line with IAS 39 are listed as follows:

31 December 2021 *In thousands of Naira*	**Available for sale**	**Carrying amount**	**Fair value**
Quoted equity securities	667,535	667,535	667,535
	667,535	**667,535**	**667,535**

(c) The table below provides an estimation of the expected impact of IFRS 9 adoption on the classification and measurement of financial assets as at 31 December 2021 and 1 January 2021

Financial Assets 31 December 2021 *In thousands of Naira*	IAS 39 classification	IFRS 9 classification & measurement	Company Carrying Amount 31- Dec-2021
Cash and cash equivalents	Loans and receivables	Amortised Cost	4,337,564
Held-to-Maturity financial assets	Held to Maturity	Amortised Cost	2,716,453
Available-for-sale financial assets			
- Unquoted equity securities	Available for sale	FVTOCI	-
- Quoted equity securities	Available for sale	FVTOCI	667,535
Trade receivables	Loans and receivables	Amortised cost	44,995
Reinsurance assets*	Loans and receivables	Amortised cost	214,572
Other receivables	Loans and receivables	Amortised cost	26,111
Statutory deposits	Loans and receivables	Amortised cost	500,000

Financial Assets 1 January 2021 *In thousands of Naira*			
Cash and cash equivalents	Loans and receivables	Amortised Cost	3,127,814
Held-to-Maturity financial assets	Held to Maturity	Amortised Cost	3,051,598
Available-for-sale financial assets			
- Unquoted equity securities	Available for sale	FVTOCI	-
- Quoted equity securities	Available for sale	FVTOCI	549,810
Trade receivables	Loans and receivables	Amortised cost	45,904
Reinsurance assets*	Loans and receivables	Amortised cost	164,709
Other receivables	Loans and receivables	Amortised cost	12,286
Statutory deposits	Loans and receivables	Amortised cost	500,000

* Reinsurance assets exclude prepaid reinsurance premium and reinsurance share of IBNR which are not financial assets.

As shown above, the expected impacts of IFRS 9 adoption on shareholder's funds with the corresponding impact on net income is not expected to be material. This is because there is no class of asset that will be changed from being measured at fair value through other comprehensive income to fair value through profit or loss.

The Expected Credit Loss (ECL) model has not yet been completed, hence, estimates for the impairment charge to the statement of comprehensive income are not yet available.

(ii) Amendments to IFRS 9

The amendments clarify that financial assets containing prepayment features with negative compensation can now be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9.
The Company will adopt the amendment upon the adoption of IFRS 9 on 1 January 2023.

(ii) Insurance contracts (IFRS 17)

IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:

• Reinsurance contracts held;
• Direct participating contracts; and
• Investment contracts with discretionary participation features.

Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI.
The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's financial statements.
The standard is effective for annual periods beginning on or after 1 January 2023.
The Company is in the process of determining the impact of the standard. The Company will adopt the standard for the year ending 31 December 2023.

(iii) Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (Annual improvements 2018-2020)

IFRS 1 First Time Adoption of International Financial Reporting Standards - The amendment permits a subsidiary (as a first-time adopter of IFRS that applies IFRS later than its parent) that applies IFRS 1.D16(a) to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
• IFRS 9 Financial Instruments - The amendment clarifies that for the purpose of performing the ''10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
• IFRS 16 Leases – The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.
• IAS 41 Agriculture - The amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement.
The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

(iv) Annual Improvements to IFRS Standards 2018–2020 – Amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards* , IFRS 9 *Financial Instruments* , IAS 41 *Agriculture* .
• IFRS 9 Financial Instruments - The amendment clarifies that for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
• IFRS 16 Leases – The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.
The amendments are effective for annual periods beginning on or after 1 January 2022.

(v) Classification of liabilities as current or non-current (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.
There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.
The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.

The amendments also clarify how a company classifies a liability that includes a counterparty conversion option, which could either be recognised as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation
The standard is effective for annual periods beginning on or after 1 January 2023.

(vi) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised.

When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting.

Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors' interests in the associate or JV.

In either case, the loss is recognised in full if the underlying assets are impaired.

The IASB has decided to defer the effective date for these amendments indefinitely.

These amendments are not expected to have a significant impact on the Company's financial statements.

The standard is effective for annual periods beginning on or after 1 January 2022.

(vii) Amendments to IFRS 3 Reference to the Conceptual Framework

The amendment has:

• updated IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;

• added to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination and

• added to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendment is effective for annual periods beginning on or after 1 January 2022.

(viii) Amendments to IAS 1 and IFRS Practice Statement Disclosure Initiative: Accounting Policies

The amendments were issued to assist companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

• requiring companies to disclose their material accounting policies rather than their significant accounting policies;

• clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

• clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements;

The amendments are consistent with the refined definition of material:

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements".

The amendments are effective from 1 January 2023

(ix) Amendment to IAS 12 Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition arising from these transactions.

The standard is effective for annual periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. If an entity previously accounted for deferred tax on these transactions using the net approach, then the impact on transition is likely to be limited to the separate presentation of the deferred tax asset and the deferred tax liability

(x) Amendments to IAS 8 Definition of Accounting Estimates

This amendment provides clarifications to companies on how to distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.

The amendment introduces a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarifies the following:

• an entity develops an accounting estimate to achieve the objective set out by an accounting policy.

• developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique.

• a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

• a change in an accounting estimate may affect only the current period’s profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

4 Critical accounting estimates and judgments

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Assumptions and estimation uncertainties

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised thus:

* in the period in which the estimate is revised, if the revision affects only that period, or
* in the period of the revision and future periods, if the revision affects both current and future periods.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year and about critical judgment in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are included in the following notes:

* Note 12 - Determination of fair value of investment properties
* Note 14 - Determination of fair value of property and equipment
* Note 37 - Income taxes
* Note 21 - Recognition of deferred tax liabilities
* Note 17 and 50 - Reserves for insurance contract liabilities: key actuarial assumptions.

(b) Judgments

The following are the critical judgments, apart from those involving estimations that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

(i) Liabilities arising from insurance contracts

Claims arising from non-life insurance contracts

Claims on insurance contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occur during the term of the contract. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures adopted. The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is unlikely that the final outcome will prove to be different from the original liability established. The sensitivity triangulations for insurance contract liabilities are included in note 50.

(ii) Determination of fair value of investment property

Management employed the services of estate surveyors and valuers to value its investment properties. The estimated open market value is deemed to be the fair value based on the assumptions that there will be willing buyers and sellers. Recent market prices of neighbourhood properties were also considered in deriving the open market values. Other key assumptions are as disclosed in note 12 to the financial statements.

(iii) Impairment of financial assets

Management's judgment is required to assess and determine the amount of impairment for financial assets carried at amortised costs as well as the amount of impairment for trade receivables. The significant estimates and judgments applied in assessing the impairment on financial assets are as shown in the statement of accounting policies 3(c)(vi).

(iv) Recoverability of deferred tax assets

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(v) Depreciation and carrying value of property and equipment and intangible assets

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of the assets will have an impact on the carrying value of these items. Depreciation and amortisation is recognised on the basis described in accounting policies note 3(j) and 3(k). There were no adjustments to the useful lives of property and equipment and intangible assets during the year.

Notes to the financial statements

5 Cash and cash equivalents

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Cash and balances held with banks in Nigeria	516,522	1,298,496
Placements with financial institutions	3,821,042	1,829,319
	4,337,564	3,127,815

Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash, this includes current account with banks,short term placement with banks and cash at hand.
Placements with financial institutions comprises term deposits with maturity not more than 90 days from the value date of the investment.

Maturity profile of cash and cash equivalent

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Current	4,337,564	3,127,815
Non-current	-	-
	4,337,564	3,127,815

6 Investment securities

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Available-for-sale financial assets (see note (a) below)	667,535	549,810
Held -To Maturity financial assets (see note (b) below)	2,716,453	3,051,598
	3,383,988	**3,601,408**

Maturity profile of investment securities

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Current	-	2,343,708
Non-current	3,383,988	1,257,700
	3,383,988	**3,601,408**

a Available -for-Sale financial assets

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Investment in quoted equity securities	667,535	549,810
	667,535	**549,810**

(i)Movement in available for sale financial assets are summarized below:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Balance as at 1 January 2021	549,810	986,465
Disposal during the year (see note 32(b))	-	(471,449)
Fair value gain	117,725	34,794
Balance as at 31 December 2021	667,535	549,810

b Held to maturity financial assets

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Long term placements	-	1,793,898
Bonds	2,716,453	1,257,700
	2,716,453	**3,051,598**

(i)Movement in held to maturity financial assets are summarized below:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Balance,beginning of the year	3,051,598	505,507
Addition during the year	1,412,604	2,751,930
Disposal/Maturity during the year	(1,939,183)	(365,206)
Interest accrued	191,434	159,367
Balance as at period end	2,716,453	3,051,598

(ii)Movement in treasury bills is as summarized below:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Balance,beginning of the year	-	365,206
Additions during the year	-	-
Disposal during the year	-	(365,206)
Balance as at year end	-	-

(iii)Movement in bond is as summarized below:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Balance,beginning of the year	1,257,700	140,301
Additions during the year	1,412,604	1,010,671
Interest accrued	191,434	106,728
Maturty of bond	(145,285)	-
Balance as at year end	2,716,453	1,257,700

(iv)Movement in long term placements is as summarized below:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Balance,beginning of the year	1,793,898	-
Additions during the year	-	1,741,259
Disposal during the year	(1,793,898)	
Interest accrued	-	52,639
Balance as at year end	-	1,793,898

7 Trade receivables

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Due from brokers,agents,and other insurance companies	213,016	212,623
Due from direct customers	23,573	24,874
	236,589	237,497
Impairment on trade receivables	(191,593)	(191,593)
	44,996	45,904

The age analysis of trade receivables as at the end of the year are as follows:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
0-30 days	44,996	45,904
31-90 days	-	-
91 – 180 days	-	-
Above 180 days	191,593	191,593
	236,589	237,497

8 Reinsurance assets

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Prepaid Reinsurance Premium (see note (a) below)	417,121	265,555
Reinsurance share of outstanding claims and claims paid (see note (b) below)	214,572	164,709
Reinsurance share of IBNR (see note (c) below)	57,880	24,716
Reinsurance share of AURR (see note (d) below)	1,353	13,989
	690,926	468,970

Maturity profile of reinsurance assets

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Within 12 months	690,926	468,970
After 12 months	-	-
	690,926	468,970

(a) Prepaid reinsurance premium represents unamortised reinsurance cost at the end of the year. Cost associated with reinsurance are amortised over the life of the contract.

The movement in prepaid reinsurance premium is as follows

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Balance, beginning of the year	265,557	131,983
Reinsurance paid during the year (see note 28(a))	1,323,293	803,604
Amortisation during the year (see note 29)	(1,171,729)	(670,030)
	417,121	265,557

(b) The movement in reinsurance share of outstanding claims is shown below:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Balance, beginning of the year	164,709	194,716
Changes during the year	49,863	(30,007)
Balance,end of year	214,572	164,709

(c) Reinsurance share of IBNR comprise:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Reinsurance portion of IBNR claims	57,880	24,716
	57,880	24,716

The movement in reinsurance share of IBNR is shown below:

	31-Dec-21	**31-Dec-20**
Balance, beginning of the year	24,716	40,936
Changes during the year	33,164	(16,220)
Balance,end of year	57,880	24,716

(d) The movement in reinsurance share of AURR is shown below:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Balance, beginning of the year	13,989	12,051
Charges during the year	(12,636)	1,938
Blance,end of year	1,353	13,989

9 Deferred acquisition cost

Deferred acquisition costs (DAC) represents commission paid during the year on unearned premium received among different classes of business. Deferred acquisition cost is as shown below:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Deferred Acquisition Cost- Fire	38,913	15,016
Deferred Acquisition Cost- Gen. Accident	5,050	3,564
Deferred Acquisition Cost- Motor	15,030	20,947
Deferred Acquisition Cost- Marine	9,432	8,155
Deferred Acquisition Cost- Aviation	4,067	2,257
Deferred Acquisition Cost- Engineering	25,238	14,798
Deferred Acquisition Cost- Oil & Gas	24,868	22,222
Deferred Acquisition Cost- Bond	17	37
Deferred Acquisition Cost- Agric Insurance	3,565	2,046
	126,180	**89,042**

Movement in deferred acquisition cost is shown below:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Balance, beginning of year	89,042	38,274
Addition, during the year (See note 32(a))	441,136	271,937
Amortisation during the year	(403,998)	(221,169)
Balance, end of year	126,180	89,042

Maturity profile of deferred acquisition cost

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Within 12 months	126,180	89,042
After 12 months	-	-
	126,180	89,042

10 Other receivables and prepayments

(a)Other receivables and prepayments comprise:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Prepayments	38,838	55,768
Prepaid rents	2,667	-
Rent receivable	3,500	9,500
Receivables of staff	22,611	2,787
Dividend recievables	9,833	9,833
WHT receivables	1,068	959
Receivable from Mingol Properties	187,277	-
Sundry receivables (see note (i) below)	27,489	27,489
	293,283	106,335
Less: impairment of other receivables(see note (b) below)	(37,323)	(37,323)
	255,960	**69,012**

(i)Sundry receivables represents amount due from exited staff. The full amount has been impaired and is part of the impairment of other receivables disclosed above.
(ii)Receivable from Mingol Properties represents amount due from Mingol Properties (see note 11)

(b). Movement in specific impairment in other receivables

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Banalnce, beginning of the year	37,323	64,636
Impairment write-back during the year (see note 34)	-	(27,313)
	37,323	**37,323**

(c) Classification of other receivables and prepayment into financial and non-financial assets

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Financial assets:		
Rent receivable	3,500	9,500
Receivable from staff	22,611	2,787
Dividend receivable	9,833	9,833
Sundry receivables	27,489	27,489
Receivable from Mingol Properties	187,277	-
	250,710	49,608
Impairment allowance	(37,323)	(37,323)
(See note 49)	213,387	12,285
Non - financial assets:		
Prepayment	38,838	55,768
Prepaid rents	2,667	-
WHT Receivables	1,068	959
	42,573	56,727
Impairment allowance	-	-
	255,960	69,012

Maturity profile of other receivables and prepayments

In thousands of Naira	**31-Dec-21**		**31-Dec-20**
	N’000		**N’000**
Within 12 months	255,960		69,012
After 12 months	-		-
	255,960	-	69,012

11 Investment in joint arrangement

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Mingol Properties Limited	**230**	**133,556**

Mingol Properties Limited is a Special Purpose Entity (SPE) between CAP Phoenix Cornerstone Limited (CPCL), Cornerstone Insurance Plc and FIN Insurance Company Limited. The enity was created as an SPE to take over the residual rights and obligations of CPCL after CPCL was voluntarily liquidated following the disposal of its sole asset, an investment property. Its principal place of business is Lagos, Nigeria.

As at 31 December 2020, FIN Insurance Company Limited, Cornerstone Insurance Plc and CAP Phoenix Cornerstone Limited owned 23%, 28% and 49% respectively of the Company.

The Company has evaluated its investment in Mingol Properties Limited in line with the provisions of IFRS 11 - Joint arrangements with the conclusion that the investments met the criteria for recognition as investment in joint venture. Factors considered in reaching the conclusion include the following; the entity is structured through an arrangement that is legally separate from the joint participants, the legal form of the entity give the parties to the arrangement the rights to the net assets of the arrangement and not rights to the assets and obligations for the liabilities of the arrangement. In line with IFRS 11:24, the Company has continued to account for its investment in Mingol Properties Limited using the equity method of accounting in its financial statements.

The details of the investment in joint venture are presented below:

Name	Principal place of business	Percentage interest held
Mingol Properties Limited	Lagos, Nigeria	23%

The following table summarises the financial information of CAP Phoenix Cornerstone Limited as included in its own financial statements

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Assets	2,345	2,416,196
Liabilities	1,345	1,191,854
Revenue	304,802	20,829
Profit/(loss) from continuing operation	117,526	(554,921)

Analysis of the investment in joint arrangement in Mingol Properties Limited is as shown below:

	31-Dec-21	**31-Dec-20**
	N'000	**N'000**
Balance, beginning of the year	133,556	-
Transfer of assets and liabilities from CAP Phoenix	-	261,188
Exchange gain	26,919	-
Share of profit/(loss) of joint venture	27,031	(127,632)
Distribution of assets	(187,276)	-
Balance, end of the year	**230**	**133,556**

As part of the sales and purchase agreement for the investment property by CPCL (now MPL), an amount of $3.00 million was retained in an escrow account which was contingent on such investment property being in a good condition for a period of two (2) years. During the year, on 25 February 2021, an amount of $1.87 million was settled the buyer, net of maintenance expenses incurred by the buyer.

In September 2021, MPL approved the distribution of such amounts from its joint venture as final distribution in which the company received $0.43 million (N187.5 million).

12 Investment properties

(a) *Reconciliation of carrying amount*

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Opening balance	602,000	560,000
Fair value gain (see note 33)	23,000	42,000
	625,000	602,000

Investment properties comprise of investments made by the Company in landed properties in Plot 667 (No. 8A & 8B), Umuozu Street, Abuja and House No.16 & 18, 2nd Avenue, 21(D) Road F.H.A Lugbe FCT. The properties are held for the purpose of generating rental income or capital appreciation or both, and are not occupied for use in the operations of the Company. Revaluation was done by John Odiba &Partners, Estate Surveyors & Valuers. The name of the principal valuer is Mr. Odiba John Malik with FRC number FRC/2022/00000014211.
The investment properties are being carried in the name of Yankari Insurance Limited, which is the Company's former business name.

S/N	**Date of Acquisition**	**Documentation**	**Location**	**Carrying Amount (N'000)**	**Steps taken for perfection**
Land and Twin Duplex	2 August 2003	C of O DD 02.08.2005	Plot 667 8 (A&B) Umozi Street off Ladoke Akintola Boulevant, Garki II Abuja	580,000	The Company has a certified true copy of C of O, though title is still in the name of Yankari Insurance.
Land and Two Blocks of Flats	10 November 2000	FHA allocation letter FHA/ES/FCT/lg/nhp/33 DD 09.11.2001	House no 16 & 18 2nd Avenue , 21 (D) Road by Babangida market , beside Dominion Chapel , FHA Estate , Lugbe	45,000	The Company has a certified true copy of letter of allocation in the name of Yankari Insurance.
			Total	625,000.00	

(b) ***Measurement of fair value***

(i) *Fair value hierarchy*

The fair value of investment properties was determined by an external, independent property valuer,having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

The fair value measurement for the investment properties of N625,000,000 (31 December 2020: N602,000,000) has been categorised as a Level 3 fair value based on the inputs into the valuation technique used.

ii *Valuation technique and significant unobservable inputs*

The following table shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair value measurement**
The fair values are determined by applying the direct market evidence comparative method of valuation to derive the open market value. This valuation model reflects the current price on actual transaction for similar properties in the neighbourhood in recent time. References were made to prices of land and comparable properties in the neighbourhood. The data obtained were analysed and adjustment was made to reflect differences in site area and the actual location, quality of construction and off-site facilities.	- Prices per square meter - Rate of development in the area - Quality of the building -Influx of people and/or businesses to the area	The estimated fair value would increase (decrease) if the rate of development in the area increases (decreases), quality of the building increases (decreases), influx of people and/or business to the area increases (decreases).

iii Sensitivity analysis

The table below sets out the impact on equity and profit or loss of a 100 basis point movement in the open market price of the investment properties

	31-Dec-21	31-Dec-20
	N’000	**N’000**
Fair value of investment properties	625,000	602,000
+10% movement in open market price	687,500	662,200
-10% movement in open market price	562,500	541,800

13 **Intangible assets**

Purchased softwares	31-Dec-21	31-Dec-20
	N’000	**N’000**
Balance as at beginning of the year	31,822	27,315
Additions during the year	7,264	4,507
Balance as at year end	39,086	31,822
Accumulated amortization:		
Balance as at beginning of the year	27,674	27,315
Charge during the year	3,004	359
Balance as at year end	30,678	27,674
Net book value as at year end	**8,408**	**4,148**

(i) All items of intangible assets are non-current.

Notes to the financial statements

14 Property and equipment

(a) **Cost**

	Land	Building	Office equipment	Computer Hardware	Motor Vehicles	Plant & Machinery	Furniture & Fittings	Bicycles	Total
	N' 000	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**
Balance, 1 January 2021	1,302,300	261,850	41,126	72,406	145,813	7,086	48,790	172	1,879,543
Additions	-	1,775	179	3,744	64,750	-	425	-	70,872
Revaluation gain/loss	37,700	9,875	-	-	-	-	-	-	47,575
Disposal			(991)	(1,277)	(5,940)	(110)	(1,370)	-	(9,688)
Balance, at 31 December 2021	1,340,000	273,500	40,313	74,873	204,623	6,976	47,845	172	1,988,302
Accumulated depreciation									
Balance, 1 January 2021	-	-	38,807	69,059	108,102	5,956	44,724	172	266,820
Charge for the year	-	5,255	1,167	3,679	26,279	629	2,267	-	39,276
Disposal	-		(991)	(1,277)	(5,940)	(110)	(1,369)	-	(9,687)
Reversal on revaluation	-	(5,255)	-	-	-	-	-	-	(5,255)
Balance, at 31 December 2021	-	-	38,983	71,461	128,441	6,475	45,622	172	291,154
Net book value									
At 31 December, 2021	1,340,000	273,499	1,330	3,412	76,182	501	2,223	-	1,697,147
At 1 January 2021	1,302,300	261,850	2,318	3,347	37,711	1,130	4,066	-	1,612,721

(b) **Cost**

	Land	Building	Office equipment	Computer Hardware	Motor Vehicles	Plant & Machinery	Furniture & Fittings	Bicycles	Total
	N' 000	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**
Balance, 1 January 2020	1,310,800	197,000	40,849	69,460	135,113	7,086	48,194	172	1,808,674
Additions	-	-	277	2,946	10,700	-	596	-	14,519
Revaluation gain/loss	14,500	81,850	-	-	-	-	-	-	96,350
Disposal	(23,000)	(17,000)	-	-	-	-	-	-	(40,000)
Balance at 31 December 2020	1,302,300	261,850	41,126	72,406	145,813	7,086	48,790	172	1,879,543
Accumulated depreciation									
Balance, 1 January 2020	-	-	37,677	64,661	90,294	4,327	46,323	172	243,454
Charge for the year	-	8,794	1,130	4,398	17,808	1,629	3,630	-	37,389
Accumulated impairment charge	-	-	-	-	-	-	-	-	-
Disposal	-	(698)	-	-	-	-	-	-	(698)
Reversal on revaluation	-	(8,096)	-	-	-	-	-	-	(8,096)
Reversal on impairment	-	-	-	-	-	-	(5,229)	-	(5,229)
Balance at 31 December 2020	-	-	38,807	69,059	108,102	5,956	44,724	172	266,819
Net book value									
At 31 December, 2020	1,302,300	261,850	2,319	3,347	37,711	1,130	4,066	-	1,612,724
At 31 December 2019	1,310,800	197,000	3,172	4,799	44,819	2,759	1,871	-	1,565,220

(i) Land and building were independently valued by John Odiba and Partners in 2021 to ascertain the open market value of the Land and building. The open market value of land and building as at 31 December 2021 was N1,613,500,000 (31 December 2020: N1,564,150,000) and a revaluation gain of N52,830,000 (31 December 2020 : N104,446,000) was recognised in other comprehensive income as the excess of the revalued amount over the carrying value of land and building.

(d) Revaluation gain for the year, before tax recognised in other comprehensive income was calculated as follows:

In thousands of naira	**31-Dec-21**	**31-Dec-20**
Revaluation gain on cost	47,575	96,350
Reversal of accumulated depreciation on revaluation	5,255	8,096
Net revaluation gain	52,830	104,446

(e) Revaluation was done by John Odiba & Partners, Estate Surveyors & Valuers. The name of the principal valuer is Mr. Odiba John Malik with FRC number FRC/2022/00000014211.

(f) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year (31 December 2020: Nil).

(g) The Company had no capital commitments as at the reporting date (31 December 2020: Nil)

(h) Land has been assessed to have unlimited useful life. Hence, the Company does not charge depreciation on land.

(i) All items of property and equipment are non-current.

Summary of title of the land and buildings are detailed below:

S/N	Description of Property	Location	Carrying Amount (N'000)	Status of title documents
1	This property is bare land having C of O with File no. AD 10060:DD 06.06.2005	Plot No: 3459 Cadastral Zone A06 off Amazon Street Maitama	950,000	Legal power of Attorney executed by Atiku Abubakar dated 28th June 10-07-1905 The C of O is in the name of Atiku Abubakar with File no. AD 10060:DD 06.06.2005.
2	This property is a duplex with BQ and is formerly covered by C of O with File no OG 10050 and now covered by a registered Deed of Assignment in the name of FIN Insurance Company Limited.	34 Gana Street Maitama Abuja	650,000	The Company has a Deed of Assignment transferring title of the property from Gabriel Abiodun Sobajo to Fin Insurance Company Limited dated 29 August 2017.
4	This is a bare land covered by a C of O with no. BA/38894 in the name of FIN Insurance Company Limited	Plot (Plan) No.BA/38894, Sunshine International School Road, off Bauchi-Das Road, New GRA Bauchi	8,500	The Company has a Statutory C of O no. BA/38894 issued by Bauchi State of Nigeria dated 5th May 2016
5	This property is a bare land with C of O: No 1652,DD.18.06.93	Plot No.A519 (Topo Bauchi State 187SW) Penninsula Estate Phase 11 New Karu	2,500	The title document is in the name of Yankari Insurance Company Limited which was acquiredby Fin Insurance. The Company has engaged the Registry for re-certification of title of the land
6	This property is a bare land with C of O: No 1653,DD.18.06.93	Plot No.A519(Topo Bauchi State 187SW) Pennisula Estate Phase 11 New Karu	2,500	The title document is in the name of Yankari Insurance Company Limited which was acquiredby Fin Insurance. The Company has engaged the Registry for re-certification of title of the land
Total			**1,613,500**	

Notes to the financial statements

15 Right of Use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property.

In thousands of Naira	**31-Dec-2021**	**31-Dec-2020**
Balance brought forward	1,842	3,726
Additions	-	10,117
Depreciation Expense	-	(12,001)
Reclassification (i)	(1,842)	-
Closing balance	-	1,842

(i) Reclassified to prepaid rent due to the short term tenor of the advances

16 Statutory deposits

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Statutory deposit	500,000	500,000
	500,000	500,000

In line with Section 10(3) of the Insurance Act of Nigeria, a deposit of 10% of the regulatory share capital is kept with the Central Bank of Nigeria. The amount held will increase or decrease in relation to the amount of paid up share capital in issue. The cash amount held is considered to be a restricted cash balance and does not qualify as cash and cash equivalent.

Maturity profile of statutory deposit

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Current	-	-
Non-current	500,000	500,000
	500,000	500,000

17 Insurance contract liabilities

(a) Insurance contract liabilities comprises:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Outstanding claims (see (c)(i) below)	747,261	586,396
Incurred but not reported (IBNR) claims (see note (c)(iii))	230,736	148,426
	977,997	734,822
Unexpired Risk Reserve (see (d) below)	747,271	603,348
	1,725,268	1,338,170

Outstanding claims represent the estimated cost of settling all claims arising from incidents occurring before the reporting date.

(b) Maturity profile of insurance contract liabilities

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Current	860,404	702,377
Non-current	864,864	635,793
	1,725,268	1,338,170

(c)(i) Analysis of provision for outstanding claims is as follows;

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Fire	179,864	71,691
Accident	26,647	14,280
Motor	56,161	33,870
Marine	1,000	559
Bond	8,000	8,000
Engineering	12,540	10,514
Aviation	46,764	41,087
Oil & Gas	411,285	406,395
Agric	5,000	-
	747,261	586,396

ii) The movement in provision for outstanding claims during the year was as follows;

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Beginning of the year	586,396	467,774
Changes in outstanding claims reserve during the yea	160,865	118,622
Balance,end of period	747,261	586,396

(iii) The incurred but not reported reserves by class of contract is summarised below by reference to liabilities:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Fire	92,278	36,780
Accident	19,604	10,432
Motor	36,587	22,044
Marine	548	308
Bond	509	509
Engineering	2,734	2,258
Aviation	7,922	6,960
Oil & Gas	67,200	67,686
Agriculture	3,354	1,449
	230,736	148,426

(iv) Analysis of total outstanding claims is as follows

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Fire	272,142	108,471
Accident	46,251	24,712
Motor	92,748	55,914
Marine	1,548	867
Bond	8,509	8,509
Engineering	15,274	12,772
Aviation	54,686	48,047
Oil & Gas	478,485	474,081
Agriculture	8,354	1,449
	977,997	734,822

(v) The movement in outstanding claims during the year was as follows:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Beginning of the year	734,822	633,519
Addition of claims provision during the year	543,852	533,832
Claims paid during the year (see note 30)	(300,677)	(432,529)
Balance, end of the year	977,997	734,822

(vi) Aging analysis of the outstanding claims for the period ended 2021 is as follows;

Outstanding claims		**0-90**	**91-180**	**181-360**	**Above 360**	**Total**
From	**To**	**days**	**days**	**days**	**days**	
		N'000	**N'000**	**N'000**	**N'000**	**N'000**
1	250,000	3,738	3,213	5,730	8,686	21,367
250,001	500,000	6,625	2,194	6,139	8,994	23,952
500,001	1,500,000	10,305	1,328	3,951	17,441	33,024
1,500,001	2,500,000	10,304		58,386	63,075	131,765
2,500,001	5,000,000	21,500	-	500	17,345	39,345
5,000,001	Above	93,110	-	158,801	245,897	497,807
		145,582	**6,735**	**233,507**	**361,437**	**747,261**

Outstanding claims above 90 days are those that are awaiting relevant documentations to facilitate settlement. Sufficient funds have been set aside to meet these obligations

Aging analysis of outstanding claims for the year ended 2020 is as follows;

(vii)

Outstanding claims per claimant		**0-90 days**	**91-180 days**	**181-360 days**	**Above 360 days**	**Total days**
From - To	**To**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
1	250,000	2,032	1,495	2,561	5,492	11,580
250,001	500,000	5,039	4,040	5,213	5,238	19,530
500,001	1,500,000	12,754	9,804	891	18,827	42,276
1,500,001	2,500,000	8,745	2,000	3,387	33,610	47,742
2,500,001	5,000,000	18,155	-	2,812	7,530	28,497
5,000,001	Above	35,618	-	202,710	198,443	436,771
		82,343	**17,339**	**217,574**	**269,140**	**586,396**

(d) The movement in IBNR - Incurred But Not Reported claims is shown below:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Balance, beginning of the year	148,427.00	165,745
(Reduction)/addition during the year (see note 30)	82,309.00	(17,318)
Balance, end of the year	230,736.00	148,427

Unexpired risk reserve

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Balance, beginning of the year	603,348	393,231
Increase in unexpired risk reserve(see note 27(a))	143,923	210,117
Balance, end of the year	**747,271**	**603,348**

(i) Analysis of unexpired risk reserve is as follows:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Fire	191,291	82,057
Accident	24,982	19,627
Motor	120,291	175,903
Marine	49,135	41,811
Bond	156	240
Engineering	113,892	74,907
Aviation	35,882	21,304
Oil and Gas	192,872	177,229
Agric Insurance	18,770	10,271
	747,271	603,349

The unexpired risk reserve is divided into unearned premium reserve and additional unexpired risk reserve (AURR)

(ii) Analysis of unearned premium reserve is as follows:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Fire	191,291	76,431
Accident	24,982	18,673
Motor	120,291	166,312
Marine	46,947	41,811
Bond	142	212
Engineering	113,892	74,907
Aviation	35,882	21,304
Oil and Gas	192,512	136,997
Agric Insurance	18,770	10,271
	744,709	546,918

(iii) Analysis of additional unexpired risk reserve is as follows:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Fire	-	5,626
Accident	-	954
Motor	-	9,591
Marine	2,188	-
Bond	14	28
Oil and Gas	360	40,231
	2,562	56,430

(iv) Analysis of unexpired risk reserve

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Unearned premium reserve (see 17(d)(ii))	744,709	546,918
Additional unexpired risk reserve (see 17(d)(iii))	2,562	56,430
Balance, end of year	747,271	603,348

18 Trade payables

In thousands of Naira	31-Dec-21	31-Dec-20
Amount due to insurance companies and reinsurers	130,856	58,960
Unearned commission on reinsurance	102,515	66,155
Premium Deposit (see note (i) below)	109,792	102,563
	343,163	227,678

(i) Premium deposits represents outstanding bank credits which have not been matched to the prospective policy holders

Maturity profile of trade payable

In thousands of Naira	31-Dec-21	31-Dec-20
Within 12 months	343,163	227,678
After 12 months	-	-
	343,163	227,678

19 Accruals and other liabilities

In thousands of Naira	31-Dec-21	31-Dec-20
	N'000	N'000
Accrued expenses (see note (i) below)	116,436	62,469
Provision for audit fees	12,538	12,763
Intercompany payable (see note (ii) below)	69,804	77,317
Provision for insurance levy	22,202	15,695
Performance pay payable	-	44,253
Sundry payables	11,721	5,209
	232,701	217,706

(i) Accrued expenses include provision for Professional fee, NAICOM levy and sundry creditors.
(ii) This is made up of expenses incurred by the parent company on behalf of the Fin Insurance Company Limited

Maturity profile of provision and other payables

In thousands of Naira	31-Dec-21	31-Dec-20
Within 12 months	232,701	217,706
After 12 months	-	-
	232,701	217,706

Notes to the financial statements

20 Current income tax liabilities

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Balance, beginning of year	138,268	147,951
Charge for the year (see note 37(a))	73,127	12,527
Payments during the year	(112,089)	(22,210)
Balance, end of year	99,306	138,268

(a) Maturity profile of taxation payable

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Within 12 months	99,306	138,268
	99,306	138,268

21 Deferred tax liability

(a) The movement in this account during the year was as follows:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Balance, beginning of year	39,142	-
Charge for the year (see note (b)) below	25,673	39,142
Balance, end of year	64,815	39,142

(b) The movement in deferred tax liability is attributable to:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Charge to other comprehensive income	5,283	10,445
Charge to profit or loss (see note 37(a))	20,390	28,697
Balance, end of year	25,673	39,142

(c) The movement in net deferred tax liability is attributable to:

In thousands of Naira	**31-Dec-20**	**Recognised in profit or loss**	**Recognised in OCI**	**31-Dec-21**
Property and equipment	46,336	(21,402)	-	24,934
Fair valuation of investment property	31,000	3,598	5,283	39,881
Unrelieved tax losses	(38,194)	38,194	-	-
	39,142	20,390	5,283	64,815

In thousands of Naira	**31-Dec-19**	**Recognised in profit or loss**	**Recognised in OCI**	**31-Dec-20**
Property and equipment	43,049	(7,158)	10,445	46,336
Fair valuation of investment property	26,800	4,200	-	31,000
Unrelieved tax losses	(69,849)	31,655	-	(38,194)
	-	28,697	10,445	39,142

(d) Unrecognised deferred tax assets

There were no unrecognised deferred tax assets in the current year (2020: Nil)

22 Share capital:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Share capital comprises:		
Authorized:		
5,000,000,000 Ordinary shares of ₦1 each	5,000,000	5,000,000
Issued and fully paid:		
5,000,000,000 Ordinary shares of ₦1 each	5,000,000	5,000,000

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the meetings of the Company.

(b) The movement in share capital

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Baalance, beginning of year	5,000,000	3,300,000
Issue of bonus shares	-	1,500,000
Right issue of shares	-	200,000
Balance, end of year	5,000,000	5,000,000

23 Share premium

Share premium comprises additional paid-in capital in excess of the par value. This reserve is not ordinarily available for distribution.

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Balance, end of period	93,878	93,878

24 Statutory contingency reserves

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Balance, beginning of year	1,147,847	1,065,486
Transfer from retained earnings	148,884	82,361
Balance, end of period	1,296,731	1,147,847

The statutory contingency reserve is prescribed under section 21 (1&2) of the Insurance Act of Nigeria. The Company is mandated to maintain a statutory contingency reserve to cover for fluctuation in securities and variations in statistical estimates.
This reserve is credited with an amount of not less than 3% of the gross premium or 20% of the net profit (which ever is greater) and the amount shall accumulate until it reaches the amount of the minimum paid-up capital or 50% of the premium (whichever is greater).

25 Other reserves

Other reserves include the net cumulative change in the fair value of available-for-sale investments until the investment is derecognised or impaired. This reserve also includes revaluation gain on the revaluation of the Company's Land and building class of property and equipment. See details below:

In thousands of Naira	Fair value reserve	Asset revaluation reserve	Total
Balance at 1 January 2021	19,655	843,217	862,872
Fair value gain on available-for-sale financial assets	117,725	47,547	165,272
Revaluation gain on land and building, net of taxes	-		-
Balance at 31 December 2021	137,380	890,764	1,028,144

Other reserves as at 31 December 2020 were as follows;

In thousands of Naira	Fair value reserve	Asset revaluation reserve	Total	
Balance at 1 January 2020	(15,139)	749,216	734,077	
Fair value gain on available-for-sale financial assets	34,794	-	34,794	
Revaluation gain on land and building, net of taxes	-	94,001	94,001	
Balance at 31 December 2020	19,655	843,217	862,872	-

26 Retained earnings

The movement in this account during the year is as follows:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Opening retained earnings as reported previously	1,190,931	201,743
Balance, beginning of year	1,190,931	2,361,777
Profit for the year	744,419	411,443
Transfer to contingency reserves	(148,884)	(82,289)
Bonus issue	-	(1,500,000)
Balance, end of period	**1,786,466**	**1,190,931**

Retained earnings are the carried forward recognised income net of expenses plus current period profit attributable to shareholders.

Notes to the financial statements

27 Gross premium written

Gross premium written is derived from the following business:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Fire	517,363	272,512
Accident	110,729	86,735
Motor	379,045	378,686
Marine	114,262	87,899
Bond	1,351	672
Engineering	180,161	137,749
Agriculture	93,287	21,795
Aviation	230,530	153,769
Oil & Gas	616,122	421,251
	2,242,850	1,561,068

(a) **Gross premium income**

The gross premium income is analyzed as follows:

In thousands of Naira	**31-Dec-21**		**31-Dec-20**
Gross premium	2,242,850	-	1,561,068
Movement in unearned premium (see note 17(d))	(143,923)		(210,117)
	2,098,927		1,350,951

28 Reinsurance expenses

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Reinsurance premium ceded (See Note (a))	1,323,292	803,604
Movement in prepaid reinsurance premium (See Note (b) below)	(151,566)	(133,573)
	1,171,726	670,031
Changes in reinsurance share of AURR (see note (b) below)	12,635	(1,937)
Balance, end of the period	1,184,361	668,094

(a) Analysis of reinsurance premium ceded is as follows;

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Fire	453,421	208,671
Accident	12,488	7,308
Motor	71,364	103,865
Marine	91,790	79,788
Bond	466	414
Engineering	170,591	135,140
Agriculture	73,979	7,942
Aviation	107,053	64,381
Oil & Gas	342,140	196,095
	1,323,292	803,604

(b) Analysis of (increase)/decrease in prepaid reinsurance premium

In thousands of Naira	**31-Dec-21**		**31-Dec-20**
Fire	(107,654)		(23,601)
Accident	(8,058)		257
Motor	35,459		(32,431)
Marine	(3,103)		(24,726)
Bond	100		(78)
Engineering	(35,711)		(41,503)
Agric Insurance	(4,184)		(7,010)
Aviation	(71)		629
Oil & Gas	(28,344)		(5,110)
	(151,566)	-	(133,573)

Analysis of changes in reinsurance share of AURR

In thousands of Naira	**31-Dec-21**		**31-Dec-20**
Fire (AURR)	2,644		(142)
Motor (AURR)	3,132		(861)
Accident (AURR)	281		261
Marine (AURR)	(1,330)		-
Bond (AURR)	9		-
Engineering (AURR)	-		-
Agric Insurance (AURR)	-		-
Aviation (AURR)	-		54
Oil & Gas (AURR)	7,899		(1,249)
	12,635	-	(1,937)

(c) Analysis of reinsurance expenses

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Fire	348,900	184,928
Accident	3,099	7,826
Motor	106,833	70,573
Marine	88,687	55,062
Bond	8,466	336
Engineering	137,525	93,637
Agric Insurance	69,795	932
Aviation	106,982	65,064
Oil & Gas	314,077	189,736
	1,184,364	668,094

29 Fees and commission income

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Reinsurance commission	245,652	151,258
	245,652	151,258

30 Gross claims incurred

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Claims paid during the year	300,677	432,529
Changes in outstanding claims reserve (see note 17(c)(ii))	160,865	118,622
Changes in IBNR reserve (see note 17(c)(vii))	82,309	(17,319)
Gross claims incurred (a)	543,851	533,832
Analysis of claim recoveries from reinsurers		
Claims recovered from reinsurance	(135,826)	(141,190)
Changes in reinsurance share of Outstanding claims (see note 8(b))	(49,863)	30,007
Changes in reinsurance share of IBNR (see note 8(c))	(33,164)	16,219
Claim recoveries from reinsurers (b)	(218,853)	(94,964)
Recovery due from salvage (c)	(4,020)	(4,848)
Claim recoveries/(expenses) (a+b+c)	320,978	434,020

31 Underwriting expenses

Underwriting expenses are categorised into commission/acquistion expenses and maintenance expenses. Commission/acquisition expenses are those incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents or brokers. Maintenance expenses are those incurred in servicing existing policies/contracts. These include processing cost, preparation of statistics and reports, and other incidental costs attributable to maintenance.

a The analysis of the underwriting expenses are as follows:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Commission paid in the year (See (i) below)	403,998	271,937
Movement in deferred acquisition costs (See (ii) below)	(37,137)	(50,768)
	366,861	221,169
Maintenance cost expenses	102,578	77,384
	469,439	298,553

(a)i **Commission paid during the year is as analysed by class below:**

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Fire	108,242	54,824
Accident	27,419	20,184
Motor	48,549	47,724
Marine	23,815	17,558
Bond	240	169
Engineering	44,009	26,938
Agric Insurance	18,410	4,374
Aviation	33,546	22,531
Oil & Gas	99,768	77,635
	403,998	271,937

(a)ii Maintenance cost expenses

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Fire	21,704	11,577
Accident	4,874	3,553
Motor	26,807	26,566
Marine	6,057	5,456
Bond	52	28
Engineering	6,930	5,757
Agric Insurance	3,588	893
Aviation	8,867	6,299
Oil & Gas	23,699	17,255
	102,578	77,384

(a)iii Analysis of movement in deferred acquisition cost is shown below

	31-Dec-21	**31-Dec-20**
	N’000	**N’000**
Fire	(23,897)	(7,577)
Accident	(1,486)	2,286
Motor	5,917	(7,109)
Marine	(1,277)	(5,647)
Bond	20	(24)
Engineering	(10,440)	(12,414)
Agric Insurance	(1,519)	(2,046)
Aviation	(1,809)	(36)
Oil & Gas	(2,646)	(18,201)
	(37,137)	(50,768)
Total (i)+(ii)+(iii)	469,439	298,553

32 Investment income

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Dividend income on available for sale equity	51,463	58,536
Interest income (see note a below)	360,964	283,869
Gain on disposal of quoted equities (see note b below)	-	210,293
Rental income from investment property	12,500	14,500
Foreign exchange gain on investment securities	672,106	413,696
	1,097,034	980,894

(a) The interest income is as shown below:

In thousands of naira	**31-Dec-2021**	**31-Dec-2020**
Interest income on bonds	172,101	72,576
Interest income on treasury bills	-	29,862
Interest income on placements	181,239	142,290
Interest on CBN statutory deposit	7,624	39,141
Total interest income	**360,964**	**283,869**

(b) The gain on disposal of quoted equities is shown below:

In thousands of naira	**31-Dec-2021**	**31-Dec-2020**
Proceed from sale of quoted equities	-	564,948
Carrying amount of quoted equities disposed (See note 6(a)(ii))	-	(471,449)
Charge on trade	-	(7,850)
Reclassification of fair value gain now realized	-	124,644
Gain on disposal of quoted equities	-	**210,293**

33 Fair value gains and losses

In thousands of naira	**31-Dec-2021**	**31-Dec-2020**
Fair value gain on investment property	23,000	42,000
	23,000	**42,000**

34 Other income

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
(Loss)/profit on disposal of property and equipment (see note 45(i))	139	(6,302)
Impairment write-back (see note 10b)	-	27,313
Recovery on excess stamp duties	-	7,035
Other income	1,535	69,193
	1,674	97,239

35 Personnel expenses

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Wages and salaries	335,736	278,565
Pension cost	18,874	15,748
Other staff cost*	39,410	74,884
	394,020	369,197

* Other staff cost represents discretionary payments paid to staff of the Company during the year

36 Other operating expenses

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Promotional expenses	11,187	5,684
Rental expenses	11,349	342
Auditors remuneration	11,000	11,000

Directors allowance	18,198	15,936
NAICOM levy	23,111	16,313
Professional fees*	65,482	61,061
Bank charges	14,621	24,518
Repairs & maintenance expense	31,605	18,141
Donation	100	17,362
Overhead/other administrative expenses**	22,002	20,722
Insurance expenses (group life and properties)	12,783	7,741
Hotel accommodation expenses	6,286	3,280
Fines and penalties	-	500
Training and development	8,918	4,472
Transport and travellings expenses	3,447	1,742
Subscription	4,213	13,617
	244,302	222,431

*Professional fees includes management fees to Capital Alliance Nigeria Limited for advisory services on investment, legal fees, etc

**Overhead/other administrative expenses includes entertaiment,postages, local travel expenses, withholding tax expenses, etc.

37 Income taxes

(a) The tax charge for the year comprises:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Minimum tax	-	3,377
Current income tax expense		
Income tax expense	54,475	-
Tertiary education tax	10,580	4,645
National Information Technology Development Agency levy	8,032	4,482
Police Trust Fund Levy	40	22
Current income tax (a)	73,127	9,149
Current and minimum tax (b)	73,127	12,526
Deferred taxes:		
Originating temporary differences (see note 21(b) (c)	20,390	28,697
Total income tax (a+c)	93,517	37,846
Total tax (b+c)	93,517	41,223

(b) The effective tax reconciliation for the Company is as follows:

In thousands of Naira		**31-Dec-21**		**31-Dec-20**
Profit before tax		837,936		452,666
Income tax using the domestic corporation tax rate	30%	251,381	30%	135,800
Non-deductable expenses	10%	86,743	21%	93,209
Tax exempt income	-25%	(210,679)	-35%	(159,335)
Tertiary education tax	1%	10,580	1%	4,645
NITDA Levy	1%	8,032	1%	4,482
Police Trust Fund levy	0%	40	0%	22
Minimum tax	0%	-	1%	3,377
Investment allowance	0%	-	0%	97
deductible temporary difference	-6%	(52,580)	-9%	(41,074)
	11%	93,517	9%	41,223

The effective tax rate for the Company as at 31 December 2021 is 11% (31 December 2020:9%).

38 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares outstanding at end of year.

In thousands of naira	**31-Dec-21**	**31-Dec-20**
Profit attributable to shareholders	744,419	411,443
Weighted average number of ordinary shares at end of year	5,000,000	5,000,000
Basic earnings per share (in kobo)	15	8

The Company does not have any instrument with a dilutive effect on its capital. Hence, the diluted earnings per share is same as the basic earnings per share.

38(b) Disclosures on Non-audit services

The external auditors, KPMG Professional Services did not provide any non-audit service during the year (2020: Nil). No non-audit fees were paid to KPMG Professional Services during the year. (2020: Nil)

Notes to the financial statements

39 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercises influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes associates, joint ventures and the Company's pension schemes, as well as key management personnel.

(a) Transaction with related parties

The Company's related party includes its parents: Cornerstone Insurance Plc, as well as the subsidiaries of the parents.
Cornerstone Insurance Plc owned 96.68% of Fin Insurance Company Limited.
The Company has 23% holding in CAP Phoenix Cornerstone Limited, a joint venture between Cornerstone Insurance Plc, CAP Phoenix Limited and Fin Insurance Company Limited.

Transactions and balances with related parties are presented below:

In thousands of Naira		**31-Dec-21**	**31-Dec-20**
Cornerstone Insurance Plc	Group life assurance	8,413	5,250
Cornerstone Insurance Plc	Property insurance	4,370	2,491
Intercompany payable - Cornerstone Insurance Plc		(69,848)	(77,317)
Intercompany receivable -Halal Takaful Nig		44	-

(b) Transactions with key management personnel

The Company's key management personnel, and persons connected with them, are also considered to be related parties.
The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Company. Close members of family are those family members who maybe expected to influence, or be influenced by that individual in their dealings with the Company.

Key management personnel compensation for the year comprises:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Short term benefits	92,286	69,039
	92,286	69,039

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Fees as directors	**15,600**	**15,936**

Fees and other emoluments (excluding pension contributions) disclosed above include amounts paid to :

The chairman	**2,750**	**2,000**
The highest paid director	**47,514**	**43,856**

The number of directors who received fees and other emoluments (excluding pension contributions) in the following ranges were :

	31-Dec-21	**31-Dec-20**
	Number	**Number**
Above 200,000	7	6
	7	6

40 Employees

(a) The average number of persons employed (excluding non executive directors) in the Company during the year was

In thousands of Naira	**31-Dec-21** Number	**31-Dec-20** Number
Average number of employees	49	47

The staff costs for the above employees was:

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Wages & salaries	335,736	278,565
Other pension costs	18,874	15,748
Other benefits	39,410	74,884
	394,020	**369,197**

(b) The number of employees of the Company, other than directors, who received emoluments in excess of N100,000 are shown in the following ranges:

	31-Dec-21	**31-Dec-20**
	Number	**Number**
500001 - 1000000	-	-
1000001 - 2000000	1	1
2000001 - 3000000	-	7
3000001 - 4000000	19	12
4000001 - 5000000	8	12
Above 5,000,000	20	13
	48	45

The Company operates a contributory pension scheme in accordance with the provision of the Pension Act 2014. The contribution by the employees and the company are 8% and 10% respectively of the employees basic salary, housing and transport allowances. The contribution by the company during the year is N18,874,000 (2020: N15,748,000).

41 Capital commitments

The company had no capital commitments as at the reporting date. (31 December 2020: Nil)

42 Litigations and contingent liabilities

The Company, in its ordinary course of business, is presently involved in one (1) (31 December 2020: one (1)) legal action with no contingent liability (31 December 2020: Nil).

43 Events after the reporting date

There are no post balance sheet events which could have a material effect on the financial statement of the Company as at 31 December 2021 which have not been disclosed.

44 Contraventions , Fines and penalties

In thousands of Naira	**31-Dec-21**	**31-Dec-20**
Details		
FRCN fine on breach of FRC certification requirements	-	500
	-	**500**

45 Reconciliation notes to the statement of cashflow

(a) Insurance premium received

In thousands of Naira	Notes	**31-Dec-21**	**31-Dec-20**
Trade receivable as at 1 January	7	237,497	193,675
Premium deposits as at 1 January	18	(102,563)	(100,945)
Gross premium written during the year	27	2,242,850	1,561,068
Trade receivable as at 31 December	7	(236,589)	(237,497)
Premium deposits as at 31 December	18	109,792	102,563
		2,250,987	**1,518,864**

(b) Reinsurance premium paid

In thousands of Naira	Notes	31-Dec-21	31-Dec-20
Amount due to reinsurers as at 1 January	18	58,960	9,715
Reinsurance ceded	28	1,323,292	803,604
Amount due to reinsurers as at 31 December	18	(130,856)	(58,960)
		1,251,396	**754,359**

(c) Reinsurance commission received

In thousands of Naira	Notes	31-Dec-21	31-Dec-20
Unearned commission on reinsurance as at 1 January	18	66,155	33,111
Commission income during the year	31	245,652	151,258
Unearned commission on reinsurance as at 31 December	18	(102,515)	(66,155)
		209,292	**118,214**

(d) Reinsurance claim received

In thousands of Naira	Notes	31-Dec-21	31-Dec-20
Reinsurance share of claims paid as at 1 January	8	-	-
Claims recovered from reinsurance	30	135,826	141,190
		135,826	**141,190**

(e) Management expenses and other operating cashflows

In thousands of Naira	Notes	31-Dec-21	31-Dec-20
Accrued expenses as at 1 January	19	62,469	85,445
Provision for audit fees as at 1 January	19	12,763	17,020
Provision for insurance levy as at 1 January			12,379
Sundry payables as at 1 January	19	5,209	11,379
Intercompany payable as at 1 January	19	77,317	50,178
Performance pay payable as at 1 January			15,059
Stale cheque as at 1 January	19	-	40,275
Accrued expenses as at 31 December	19	(116,436)	(62,469)
Provision for audit fees as at 31 December	19	(12,538)	(12,763)
Provision for insurance levy as at 31 December			(15,695)
Intercompany payable as at 31 December	19	(69,804)	(77,317)
Sundry payables as at 31 December	19	(11,721)	(5,209)
Stale cheque as at 31 December	19	-	(44,253)
Performance pay payable as at 31 December	19		
Reinsurance share of claims paid as at 31 December	19	-	-
Changes in other payables (A)		**(52,741.00)**	**14,029**
Prepayments as at 1 January	10	(55,767)	(40,070)
Receivables from staff 1 January	10	(2,787)	(4,494)
Sundry receivable as at 1 January	10	(27,489)	(27,586)
Prepayments as at 31 December	10	41,505	55,767
Receivables from staff 31 December	10	22,611	2,787
Sundry receivable as at 31 December	10	27,489	27,489
Changes in other receivables and prepayments (B)		**5,561.64**	**13,893**
Net changes in operating assets and liabilities (C=A+B)		(47,179.36)	(12,353)
Other non-cash adjustments		(409,191.00)	(544,987)
Other operating expenses recognised during the year	36	244,302.00	222,431
Other income recognised during the year	34	(1,535.00)	(69,193)
Management expenses and other operating cashflows		**(213,603)**	**(404,102)**

(f) Interest income received

In thousands of Naira	Notes	31-Dec-21	31-Dec-20
Accrued interest income opening		128,506	22,654
Interest income per income statement	32	360,964	283,869
Accrued interest income closing		(41,237)	(128,506)
		448,233	**178,017**

(g) Dividend received

In thousands of Naira	Notes	31-Dec-21	31-Dec-20
Dividend receivable as at 1 January	10	9,833	9,833
Dividend income on available for sale equity	32	51,463	58,536
Dividend receivable as at 31 December	10	(9,833)	(9,833)
		51,463	**58,536**

(h) Rent received

In thousands of Naira	Notes	31-Dec-21	31-Dec-20
Rent receivable as at 1 January	10	-	-
Rental income	32	12,500	14,500
Rent receivable as at 31 December	10	-	(9,500)
		12,500	**5,000**

(i) Proceeds on disposal of property and equipment

In thousands of Naira	Notes	31-Dec-21	31-Dec-20
Cost of disposed property and equipment	14	9,688	40,000
Accumulated depreciation on disposed property and equipment	14	(9,687)	(698)
NBV of disposed property and equipment		1	39,302
Sales proceed on disposal of PPE		(139)	(33,000)
(Profit)/Loss on disposal	34	**(138)**	**6,302**

46 Risk management framework

(a) Capital management objectives, policies and approach

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

(i) To maintain the required level of stability of the Company thereby providing a degree of security to policyholders.

(ii) To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.

(iii) To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.

(iv) To align the profile of assets and liabilities taking account of risks inherent in the business.

(v) To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders.

(vi) To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

In reporting financial strength, capital and solvency are measured using the rules prescribed by the National Insurance Commission (NAICOM). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written. The company's capital management policy for its insurance and non-insurance business is to hold sufficient capital to cover the statutory requirements based on the NAICOM directives, including any additional amounts required by the regulator.

(b) Approach to capital management

The Company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders. The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risk characteristics. The primary source of capital used by the Company is the shareholder's funds. The Company has had no significant changes in its policies and processes to its capital structure during the past year from previous years.

The table below shows the available capital resources of the Company:

In thousands of Naira	Notes	**31-Dec-21**	**31-Dec-20**
Total shareholders' funds		9,205,145	8,295,456
Regulatory capital required		3,000,000	3,000,000
Excess capital		**6,205,145**	**5,295,456**

(c) Regulatory framework

The insurance industry regulator measures the financial strength of Non-Life Insurers using a Solvency Margin model. NAICOM generally expects non-life insurers to comply with this capital adequacy requirement. Section 24 of the Insurance Act 2003 defines the solvency margin of a non – life insurer as the difference between the admissible assets and liabilities, and this shall not be less than 15% of the net premium income (gross income less reinsurance premium paid), or the minimum capital base (N3billion) whichever is higher.

This solvency model compares the insurer's capital against the risk profile. The regulator indicated that insurers should produce a minimum solvency margin of 100%. During the year, the Company has consistently exceeded this minimum. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement.

47 Solvency margin

The solvency margin for the Company is as follows:

Solvency margin computation as at 31 December 2021

In thousands of Naira	**Total**		**Inadmissible**	**Admissible**
Assets				
Cash and cash equivalents[1]	4,337,564		-	**4,337,564**
Investment securities	3,383,988		-	**3,383,988**
Trade receivables	44,996		-	**44,996**
Reinsurance assets	690,926		-	**690,926**
Deferred acquisition cost	126,180		-	**126,180**
Other receivables and prepayments [2]	255,960		**233,349**	**22,611**
Investment in joint arrangement	230		-	**230**
Investment properties	625,000		-	**625,000**
Property and equipment- Land and building [3]	1,613,499		**1,238,499**	**375,000**
Property and equipment- Others	83,648		-	**83,648**
Intangible assets	8,408		-	**8,408**
Right of Use assets	-		-	-
Statutory deposits	500,000		-	**500,000**
Total Assets	**11,670,399**	**-**	**1,471,848**	**10,198,551**
Liabilities				
Insurance contract liabilities	1,725,268			**1,725,268**
Trade payables	343,163			**343,163**
Accruals and other liabilities	232,701			**232,701**
Current income tax liabilities	99,306			**99,306**
Deferred tax liability	64,815		**64,815**	-
Total Liabilities	**2,465,253**	**-**	**64,815**	**2,400,438**

Excess of total admissible assets over admissible liabilities	**7,798,113**
Higher of:	
Gross premium written	**2,242,850**
Less: Reinsurance expense	**(1,184,361)**
Net premium	**1,058,489**
15% of net premium or;	**158,773**
Minimum Required	**3,000,000**
The higher thereof:	**3,000,000**
Solvency margin surplus	**4,798,113**

The company's solvency margin of N7.798 billion (31 December 2020: N6.817 billion) is above the minimum capital of N3,000,000,000 (31 December 2020: N3,000,000,000) prescribed by the Insurance Act of Nigeria.

[1]Amount represents the inadmissible portion of Cash and cash equivalents based on NAICOM guideline which states that "Cash and bank balances are admissible only to the extent that not more than 20% of total current account balance and bank placements are placed in any one bank".

[2]Amount represents the inadmissible portion of Other receivables and prepayment based on NAICOM guideline which states that only prepaid expenses made to members of staff are admissible.

[3]Amount represents the inadmissible portion of Property and equipment based on NAICOM guideline which states that "Proportions of land and buildings and investment property admissible for Solvency margin computation shall not constitute more than 1/3 of the required solvency margin of the Company".

Solvency margin computation as at 31 December 2020

In thousands of Naira	**Total**		**Inadmissible**	**Admissible**
Assets				
Cash and cash equivalents	3,127,814		**283,719**	**2,844,095**
Investment securities	3,601,408			**3,601,408**
Trade receivables	45,904			**45,904**
Reinsurance assets	468,970			**468,970**
Deferred acquisition cost	89,042			**89,042**
Other receivables and prepayments	69,012		**66,225**	**2,787**
Investment in joint arrangement	133,556			**133,556**
Investment properties	602,000			**602,000**
Property and equipment- Land and building	1,564,150		**1,166,150**	**398,000**
Property and equipment- Others	48,574			**48,574**
Right of Use assets	1,842		**1,842**	**-**
Intangible assets	4,148			**4,148**
Statutory deposits	500,000			**500,000**
Total Assets	**10,256,420**	**-**	**1,517,936**	**8,738,484**
Liabilities				
Insurance contract liabilities	1,338,170			**1,338,170**
Trade payables	227,678			**227,678**
Accruals and other liabilities	217,706			**217,706**
Current income tax liabilities	138,268			**138,268**
Deferred tax liability	39,142		**39,142**	**-**
Total Liabilities	**1,960,964**	**-**	**39,142**	**1,921,822**
Excess of total admissible assets over admissible liabilities				**6,816,662**
Higher of:				
Gross premium written				**1,561,068**
Less: Reinsurance expense				**(668,094)**
Net premium				**892,974**
15% of net premium or;				**133,946**
Minimum Required				**3,000,000**
The higher thereof:				**3,000,000**
Solvency margin surplus				**3,816,662**

48 Financial assets and liabilities

(a) Accounting classification measurement basis and fair values

The table below sets out the Company's classification of each class of financial assets and liabilities, and their fair values.

31 December 2021

In thousands of Naira Note	Note	Loan and receivable	Available for sale	Held to maturity	Other financial liabilities	Total carrying value	Fair value
Cash and cash equivalents	5	4,337,564	-	-		4,337,564	4,337,564
Investment securities	6	-	667,535	2,716,453	-	3,383,988	3,383,988
Trade receivables	7	44,996				44,996	44,996
Reinsurance assets*	8	214,572				214,572	214,572
Other receivables	10(b)	26,111				26,111	26,111
Statutory deposits	16	500,000				500,000	500,000
		5,123,243	**667,535**	**2,716,453**	**-**	**8,507,231**	**8,507,231**
Trade payables	18				240,648	240,648	240,648
Accrual and other liabilities	19				232,701	232,701	232,701
		-	**-**	**-**	**473,349**	**473,349**	**473,349**

* Reinsurance assets exclude prepaid reinsurance premium and reinsurance share of IBNR which are not financial assets

31 December 2020

In thousands of Naira Note	Note	Loan and receivable	Available for sale	Held to maturity	Other financial liabilities	Total carrying value	Fair value
Cash and cash equivalents	5	3,127,815	-	-		3,127,815	3,127,814
Investment securities	6	-	549,810	3,051,598	-	3,601,408	3,818,921
Trade receivables	7	45,904				45,904	45,904
Reinsurance assets*	8	164,709				164,709	164,709
Other receivables	10(c)	12,286				12,286	12,286
Statutory deposits	16	500,000				500,000	500,000
		3,850,714	**549,810**	**3,051,598**	**-**	**7,452,122**	**7,669,634**
Trade payables	18				161,523	161,523	161,523
Accrual and other liabilities	19				217,706	217,706	217,706
		-	**-**	**-**	**379,229**	**379,229**	**379,229**

* Reinsurance assets exclude prepaid reinsurance premium and reinsurance share of IBNR which are not financial assets

(b) Fair valuation methods and assumptions

The determination of fair value for financial assets and financial liabilities for which there is no observable market price requires the use of certain valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.
The Company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurement.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
Level 2: Valuation techniques based on observable inputs, either directly i.e. as prices, or indirectly i.e. derived from prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation techniques includes inputs not based on observable data and unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

(a) Financial instrument measured at fair value

The table below analyses financial instruments measured at fair value at the end of the reporting year, by the level of the fair value hierarchy into which the fair value measurement is categorized.

31 December 2021

In thousands of Naira	Note	Level 1	Level 2	Level 3	Total
Investment securities					
Equity securities	6	667,535	-	-	667,535
Treasury Bills	6	-	-	-	-
Bonds	6	2,716,453	-	-	2,716,453
Long-term placements	6	-	-	-	-
		3,383,988	**-**	**-**	**3,383,988**

31 December 2021

In thousands of Naira	Note	Level 1	Level 2	Level 3	Total
Investment securities					
Equity securities	6	549,810	-	-	549,810
Treasury Bills	6	-	-	-	-
Bonds	6	1,257,700	-	-	1,257,700
Long-term placements	6	1,793,898	-	-	1,793,898
		3,601,408	**-**	**-**	**3,601,408**

Investment securities

The fair values of equity securities are determined by reference to quoted prices (unadjusted) in active markets for identical instruments.

The fair value of treasury bills and bonds are determined with reference to quoted prices unadjusted in active market for identical assets. However, the prices for some treasury bills were adjusted active market prices for identical assets since they were not directly quoted.

(b) Financial instrument not measured at fair value

The fair value information for other financial assets and financial liabilities not measured at fair value has not been disclosed because their carrying amount is a reasonable approximation of its fair value. These financial assets and liabilities include:

(i) Cash and cash equivalents

Cash and cash equivalents represent cash balances and placements held with financial institutions. The carrying amount of current balances with banks is a reasonable approximation of fair value which is the amount receivable on demand.

(ii) Trade receivables

Trade receivables represents balances with contract holders, reinsurers and co-insurers. Due to 'no premium no cover policy, only outstanding premiums that are backed up with credit notes from brokers, coinsurers and reinsurers are recognized in the books. However, it is reversed if payment is not received within 1 month of outstanding. The carrying amounts of trade receivables are receivable in less than one year, are reasonable approximation of their fair values.

(iii) Reinsurance assets represents amount recoverable from reinsurers in respect of claims. The fair value of this balance is the carrying amount.

(iv) Other receivables represents balances due from staff and other sundry debtor. The carrying amounts of other receivables are receivable in less than one year, are reasonable approximation of their fair values

(v) Statutory deposit represent mandatory deposit with the Central Bank. The fair value of this balance is the carrying amount.

49 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

Credit risk
Liquidity risk
Market risk

(a) Finance risk management framework

The Company's board of directors has the overall responsibility for the establishment of oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors for on its activities. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the audit committee.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment in debt securities.

The carrying amount of financial assets represents the maximum credit exposure. In addition to credit risks arising out of investments and transactions with clients, FIN Insurance actively assumes credit risk through the writing of insurance business. Credit Risk can arise when a client defaults on settlement of premium payments and can also arise when its own repayment capability decreases.

FIN Insurance's strategy as an Insurance Company does not entail the elimination of Credit Risk but rather to take on credit risk in a well-controlled, planned and targeted manner pursuant to its business objectives. Its approach to measuring credit risk is therefore designed to ensure that it is assessed accurately in all its forms, and that relevant, timely and accurate credit risk information is available to the relevant decision makers at an operational and strategic level at all times.

At a strategic level, FIN Insurance manages its credit risk profile within the constraints of its overall Risk Appetite and structured its portfolio so that it provides optimal returns for the level of risk taken. Operationally, the Insurance Company Credit Risk Management is governed by the overall risk appetite framework and aims to ensure that the risk inherent to individual exposures or certain business portfolios are appropriately managed through the economic cycle.

The organization is committed to:

(a) Create, monitor and manage credit risk in a manner that complies with all applicable laws and regulations;

(b) Identify credit risk in each investment, loan or other activity of the Insurance Company

(c) Utilize appropriate, accurate and timely tools to measure credit risk

(d) Set acceptable risk parameters;

(e) Maintain acceptable levels of credit risk for existing individual credit exposures

(f) Maintain acceptable levels of overall credit risk for FIN Insurance's Portfolio; and

(g) Coordinate Credit Risk Management with the management of other risks inherent in FIN Insurance's business activities.

Unsecured exposures to high risk obligors, transactions with speculative cash flows, loans in which the insurance Company will hold an inferior or subordinate position are some of the credit exposures that are considered undesirable by the organization. The Company's credit risk can be analysed as follows:

	Note	31-Dec-21		31-Dec-20
Reinsurance receivables (see note (a) below)	8	273,805		203,414
Cash and cash equivalents (See note(b) below	5	4,337,564		3,127,814
Held to maturity (see note '(c) below)	6(b)	2,716,453		3,051,598
Statutory deposit	16	500,000		500,000
Other receivables	10(b)	26,111		12,286
		7,853,933	-	**6,895,112**

(a) Reinsurance receivables

The Company insures its liabilities with reputable reinsurance companies with which it has a right of setoff. None of its receivable from reinsurance companies was impaired as at 31 December 2021 (31 December 2020: Nil)

(b) Cash and cash equivalents

The Company's cash and cash equivalents are held with reputable banks and financial institutions.

(c) Held-to-maturity

The Company's HTM investments are in treasury bills and bonds. None of its investment was impaired as at 31 December 2021 (31 December 2020: Nil)
The Company did not have any debt securities that were past due but not impaired as at 31 December 2021 (31 December 2020: Nil)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.
The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities over the next 60 days. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, include contractual interest payments and exclude the impact of netting agreements

The table below sets out the Company's classification of each class of financial assets and liabilities, and their maturity profiles

31 December 2021

In thousands of Naira	Note	Carrying amount	Gross norminal cashflow	1-3 months	3-6 months	6-12 months	1-5 years months	Above 5 years	Total
Cash and cash equivalents	5	4,337,564	4,337,564	4,337,564					4,337,564
Debt securities	6	2,716,453	2,716,453					2,716,453	2,716,453
Equity securities	6	667,535	667,535					667,535	667,535
Trade receivables	7	44,996	44,996	44,996					44,996
Reinsurance assets	8	690,926	273,805			273,805			273,805
Statutory deposit	16	500,000	500,000					500,000	500,000
Other receivables and prepayments	10(b)	26,111	26,111			26,111			26,111
		8,983,585	**8,566,464**	**4,382,560**	**-**	**299,916**	**-**	**3,883,988**	**8,566,464**
Insurance contract liabilities	17	1,725,268	1,725,268			1,725,268			1,725,268
Trade payables	18	240,648	343,163			343,163			343,163
Other payables	19	232,701	232,701			232,701			232,701
		2,198,617	**2,301,132**	**-**	**-**	**2,301,132**	**-**	**-**	**2,301,132**
Gap (assets - liabilities)		6,784,968	6,265,332	4,382,560	-	(2,001,216)	-	3,883,988	6,265,332
Cummulative liquidity gaps		6,784,968	6,265,332	4,382,560	4,382,560	2,381,344	2,381,344	6,265,332	

31 December 2020

In thousands of Naira	Note	Carrying amount	Gross norminal cashflow	1-3 months	3-6 months	6-12 months	1-5 years months	Above 5 years	Total
Cash and cash equivalents	5	3,127,814	3,135,896	3,135,896					3,135,896
Debt securities	6	3,051,598	3,810,388		1,834,311	162,121	457,285	1,356,671	3,810,388
Equity securities	6	549,810	549,810					549,810	549,810
Trade receivables	7	45,904	45,904	45,904					45,904
Reinsurance assets	8	468,970	203,414			203,414			203,414
Statutory deposit	16	500,000	500,000					500,000	500,000
Other receivables and prepayments	10(c)	12,286	12,286			12,286			12,286
		7,756,382	**8,257,698**	**3,181,800**	**1,834,311**	**377,821**	**457,285**	**2,406,481**	**8,257,698**
Insurance contract liabilities	17	1,338,170	1,338,170			1,338,170			1,338,170
Trade payables	18	161,523	227,678			227,678			227,678
Other payables	19	217,706	217,706			217,706			217,706
		1,717,399	**1,783,554**	**-**	**-**	**1,783,554**	**-**	**-**	**1,783,554**
Gap (assets - liabilities)		6,038,983	6,474,144	3,181,800	1,834,311	(1,405,733)	457,285	2,406,481	6,474,144
Cummulative liquidity gaps		6,038,983	6,474,144	3,181,800	5,016,111	3,610,378	4,067,663	6,474,144	

(iii) Market risk

Market risk is the risk that changes in market prices (such as foreign exchange rates, interest rates and equity prices) will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which premium and claims are denominated and the respective functional currencies of the Company. The functional currency of the Company is the Nigerian Naira.

The currencies in which these transactions are primarily denominated are the Nigerian Naira. However, the Company receives some premium in foreign currencies and also pays some claims in foreign currencies. The foreign currencies the Company transacts in include euro, british pounds and United States dollars.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	31 December 2021				31 December 2020			
In thousands of	**Carrying amount** (NGN)	USD	EURO	(NGN)	**Carrying amount** (NGN)	USD	EURO	(NGN)
Cash and cash equivalents	4,337,564	3,337,789	3,557	996,218	3,127,814	1,741,770	3,190	1,382,854
Financial assets	3,383,988	2,716,453	-	667,535	3,601,408	3,051,598	-	549,810
	7,721,552	**6,054,242**	**3,557**	**1,663,753**	**6,729,222**	**4,793,368**	**3,190**	**1,932,664**
Outstanding claims	(747,261)	(496,079)	-	(251,182)	(586,396)	(406,155)	-	(180,241)
Net statement of financial position exposure	**6,974,291**	**5,558,163**	**3,557**	**1,412,571**	**6,142,826**	**4,387,213**	**3,190**	**1,752,423**

The following significant exchange rates have been applied.

year-end spot rate	**31-Dec-21**	**31-Dec-20**
USD	435.00	400.33
Euro	466.98	491.45

Foreign currency sensitivity analysis

The Company’s exposure to foreign currency risk is largely concentrated in the US Dollar. Movements in exchange rates between the US Dollar and the Nigerian Naira as at 31 December would have affected the measurement of financial instruments denominated in a foreign currency, equity and profit or loss.

The table below shows the impact on the Company’s profit or loss and statements of financial position size if the exchange rate between the US Dollars, and Nigerian Naira had increased or decreased by 10%.

This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or Loss		Equity, net of tax	
Effect of thousands in Naira	Strengthening	Weakening	Strengthening	Weakening
31/Dec/21				
USD (10% movement)	555,816	(555,816)	389,071	(389,071)
31/Dec/20				
USD (10% movement)	438,721	(438,721)	307,105	(307,105)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Other market price risk

The primary goal of the Company's investment strategy is to maximise investment returns, both to partially meet the Company's claims and benefits obligations and to improve its returns in general.

Sensitivity analysis - Equity price risk

The Company's has equity investments some of which are listed on the Nigerian Stock Exchange and are classified as available for sale. A 2% increase in the share price of those equities at the reporting date would have increased equity by N19.7million after tax (31 December 2020 N19.7million). An equal change in the opposite direction would have reduced equity by N19.7million after tax (31 December 2020: N19.7million).

50 Insurance Risk

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities. The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Company purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on both a proportional and non–proportional basis. The majority of proportional reinsurance is quota–share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non–proportional reinsurance is primarily excess–of–loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess–of–loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract.

The Company principally issues the following types of general insurance contracts: fire, motor, bond, personal accident, aviation, marine and oil and gas. Risks under non–life insurance policies usually cover twelve months duration. For general insurance contracts, the most significant risks arise from climate changes, natural disasters and terrorist activities. For longer tail claims that take some years to settle, there is also inflation risk. The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography.

Furthermore, strict claim review policies and procedures exist to assess all new and on-going claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are all policies and procedures put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities.

The Company has also limited its exposure by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events.

The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Company's risk appetite as decided by management. The Board may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

Key assumptions

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future, for example: one–off occurrence, changes in market factors such as public attitude to claims, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgment is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

Sensitivities

The Company's claim liabilities are sensitive to the key assumptions that follow. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments over the year from 2008 to 2020.

In general, the uncertainty associated with the ultimate claims experience in an accident year is greatest when the accident year is at an early stage of development and the margin necessary to provide the necessary confidence in the provisions adequacy is relatively at its highest. As claims develop, and the ultimate cost of claims becomes more certain, the relative level of margin maintained should decrease.

However, due to the uncertainty inherited in the estimation process, the actual overall claim provision may not always be in surplus.

Gross claim reserving

The claims paid are allocated to claim development years as illustrated below. Cumulative Claims Development Pattern: Fire

Incremental Chain ladder-Yearly Projections N'000												
Accident	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
2010	1,583	3,024	2,987	152	127	13	63	-	-	-	-	-
2011	1,097	9,016	66,133	50	-	-	-	-	-	-	-	-
2012	3,040	4,422	1,168	64	-	-	332	-	38	-	-	-
2013	7,415	397	578	-	-	8	-	-	-	-	-	-
2014	1,198	4,682	3,100	145	121	-	-	-	-	-	-	-
2015	3,570	12,319	339	491	-	-	-	-	-	-	-	-
2016	13,155	8,708	6,161	-	-	-	-	-	-	-	-	-
2017	15,727	28,922	1823	3102	-	-	-	-	-	-	-	-
2018	52,897	29,036	1658	-	-	-	-	-	-	-	-	-
2019	24,227	7,413	-	-	-	-	-	-	-	-	-	-
2020	2910	-	-	-	-	-	-	-	-	-	-	-
2021	13477	-	-	-	-	-	-	-	-	-	-	-

Cumulative Chain ladder-Yearly Projections N'000												
Accident	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
2010	1,583	4,607	7,594	7,746	7,873	7,886	7,949	7,949	7,949	7,949	7,949	7,949
2011	1,097	10,113	76,246	76,296	76,296	76,296	76,296	76,296	76,296	76,296	76,296	76,296
2012	3,040	7,462	8,630	8,694	8,694	8,694	9,026	9,026	9,026	9,026	9,026	9,064
2013	7,415	7,812	8,390	8,390	8,390	8,398	8,398	8,398	8,398	8,398	8,398	8,398
2014	1,198	5,880	8,980	9,125	9,246	9,246	9,246	9,246	9,246	9,246	9,246	9,246
2015	3,570	15,889	16,228	16,719	16,719	16,719	16,719	16,719	16,719	16,719	16,719	16,719
2016	13,155	21,863	28,024	28,024	28,024	28,024	29,307	29,307	29,307	29,307	29,307	29,307
2017	15,727	44,649	46,473	49,575	49,575	51,650	53,951	53,951	53,951	53,951	53,951	53,951
2018	52,897	81,933	84,302	88,847	92,721	97,018	97,018	97,018	97,018	97,018	97,018	97,018
2019	24,227	31,640	32,213	34,262	36,149	37,758	39,542	39,542	39,542	39,542	39,542	39,542
2020	2,910	67,268	86,597	91,710	96,420	100,435	104,888	104,888	104,888	104,888	104,888	104,888
2021	13,477	19,079	25,147	26,752	28,230	29,491	30,889	30,889	30,889	30,889	30,889	30,889

Cumulative Claims Development Pattern: Motor

Incremental Chain ladder-Yearly Projections N'000												
Accident	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
2010	19,090	19,160	6,897	168	2,500	-	-	-	-	-	-	-
2011	21,365	16,776	1,963	107	-	-	-	926	-	-	-	-
2012	16,807	46,781	48	1,132	-	-	-	-	-	-	-	-
2013	50,831	21,292	4,206	-	-	-	-	-	-	-	-	-
2014	16,043	14,613	6,061	-	2,648	-	-	-	-	-	-	-
2015	21,875	17,414	431	2,295	269	-	-	-	-	-	-	-
2016	52,236	8,747	1,747	-	-	-	-	-	-	-	-	-
2017	36,807	13,906	2,312	-	-	-	-	-	-	-	-	-
2018	56,852	24,437	180	-	-	-	-	-	-	-	-	-
2019	62,346	20,744	-	-	-	-	-	-	-	-	-	-
2020	37,935	-	-	-	-	-	-	-	-	-	-	-
2021	47,017											

Cumulative Chain ladder-Yearly Projections N'000												
Accident	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
2010	19,090	38,250	45,147	45,315	47,815	47,815	47,815	47,815	47,815	47,815	47,815	47,815
2011	21,365	38,141	40,104	40,211	40,211	40,211	40,211	41,137	41,137	41,137	41,137	41,137
2012	16,807	63,588	63,636	64,768	64,768	64,768	64,768	64,768	64,768	64,768	64,768	64,768
2013	50,831	72,123	76,329	76,329	76,329	76,329	76,329	76,329	76,329	76,329	76,329	76,329
2014	16,043	30,656	36,717	36,717	39,365	39,365	39,365	39,365	39,365	39,365	39,365	39,365
2015	21,875	39,289	39,720	42,015	42,284	42,284	42,284	42,284	42,284	42,284	42,284	42,284
2016	52,236	60,983	62,730	62,730	62,840	62,840	62,840	62,840	62,840	62,840	62,840	62,840
2017	36,807	50,713	53,025	55,131	55,221	55,221	55,221	55,221	55,221	55,221	55,221	55,221
2018	56,852	81,290	103,084	106,999	107,167	107,167	107,167	107,167	107,167	107,167	107,167	107,167
2019	62,346	80,743	102,549	106,467	106,635	106,635	106,635	106,635	106,635	106,635	106,635	106,635
2020	37,935	68,400	71,314	73,776	76,551	76,678	76,678	76,678	76,678	76,678	76,678	76,678
2021	47,017	74,384	81,749	86,207	91,342	91,342	91,342	91,342	91,342	91,342	91,342	91,342

Cumulative Claims Development Pattern: Marine

Incremental Chain ladder-Yearly Projections N'000												
Accident	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
2010	1,001	2,166	2,184	-	-	-	-	-	-	-	-	-
2011	1,720	4,165	442	-	-	-	-	-	-	-	-	-
2012	3,781	17,143	-	-	-	-	-	-	-	-	-	-
2013	4,299	92	-	-	-	-	-	-	-	-	-	-
2014	741	-	-	-	-	-	-	-	-	-	-	-
2015	-	3,735	76	-	-	-	-	-	-	-	-	-
2016	1,250	2,212	-	-	-	-	-	-	-	-	-	-
2017	2,005	371	-	-	-	-	-	-	-	-	-	-
2018	-	178	-	-	-	-	-	-	-	-	-	-
2019	-	23,783										
2020	5,388	8343										
2021	25,860											

Cumulative Chain ladder-Yearly Projections N'000												
Accident	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
2010	1,001	3,167	5,351	5,351	5,351	5,351	5,351	5,351	5,351	5,351	5,351	5,351
2011	1,720	5,885	6,327	6,327	6,327	6,327	6,327	6,327	6,327	6,327	6,327	6,327
2012	3,781	20,924	20,924	20,924	20,924	20,924	20,924	20,924	20,924	20,924	20,924	20,924
2013	4,299	4,391	4,391	4,391	4,391	4,391	4,391	4,391	4,391	4,391	4,391	4,391
2014	741	741	741	741	741	741	741	741	741	741	741	741
2015	-	3,735	3,811	3,811	3,811	3,811	3,811	3,811	3,811	3,811	3,811	3,811
2016	1,250	3,462	3,462	3,462	3,462	3,462	3,462	3,462	3,462	3,462	3,462	3,462
2017	2,005	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376
2018	-	178	178	178	178	178	178	178	178	178	178	178
2019	-	28,783	28,783	28,783	28,783	28,783	28,783	28,783	28,783	28,783	28,783	28,783
2020	5,388	13,731	14,079	14,079	14,079	14,079	14,079	14,079	14,079	14,079	14,079	14,079
2021	25,860	26,541	27,262	27,262	27,262	27,262	27,262	27,262	27,262	27,262	27,262	27,262

Cumulative Claims Development Pattern: General Accident

Incremental Chain ladder-Yearly Projections N'000												
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
2010	21,677	43,046	8,856	10,296	488	963	255	-	-	-	-	-
2011	26,288	13,262	2,468	720	3,002	3,460	377	116	-	-	-	-
2012	23,018	27,983	2,981	1,120	1,184	-	-	400	-	-	-	-
2013	3,256	1,940	1,245	1,007	80	-	28	-	-	-	-	-
2014	26,401	930	3,451	516	52	152	-	-	-	-	-	-
2015	1,435	5,339	26	1,890	403	110	-	-	-	-	-	-
2016	4,551	17,484	1,859	83	986	-	-	-	-	-	-	-
2017	4,874	9,874	3,017	847	-	-	-	-	-	-	-	-
2018	2,401	1,696	748	-	-	-	-	-	-	-	-	-
2019	3,121	6,830	-	-	-	-	-	-	-	-	-	-
2020	3,322	-	-	-	-	-	-	-	-	-	-	
2021	3,081	-	-	-	-	-	-	-	-	-	-	
Cumulative Chain ladder-Yearly Projections N'000												
Accident year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
2010	21,677	64,723	73,579	83,875	84,363	85,326	85,581	85,581	85,581	85,581	85,581	85,581
2011	26,288	39,550	42,018	42,738	45,740	49,200	49,577	49,693	49,693	49,693	49,693	49,693
2012	23,018	51,001	53,982	55,102	56,686	56,686	56,686	56,686	56,686	56,686	56,686	56,686
2013	3,256	5,196	6,441	7,448	7,528	7,528	7,556	7,556	7,556	7,556	7,556	8,802
2014	26,401	27,331	30,782	31,298	31,350	31,502	31,502	31,502	31,502	31,502	31,502	31,503
2015	1,435	6,774	6,800	8,690	9,093	9,203	9,203	9,203	9,203	9,203	9,203	9,203
2016	4,551	22,035	23,894	23,977	24,963	25,032	25,913	25,913	25,913	25,913	25,913	25,913
2017	4,874	14,748	17,765	18,612	18,698	21,697	22,419	22,419	22,419	22,419	22,419	22,419
2018	2,401	4,097	4,845	4,845	6,577	6,577	7,586	7,828	7,828	7,828	7,828	7,828
2019	3,121	9,951	9,998	13,181	17,640	20,235	20,859	20,859	20,859	20,859	20,859	20,859
2020	3,322	6,154	7,945	10,446	13949	15,989	16,479	16,479	16,479	16,479	16,479	16,479
2021	3,081	7,059	9,072	11,883	15821	18,113	18,665	18,665	18,665	18,665	18,665	18,665

51 Hypothecation

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and reinsurance liabilities. In particular, the key risk is that the investment proceeds will not be sufficient to fund the obligations arising from its insurance contracts. In response to this risk, the Company's assets and liabilities are allocated as follows;

	2021			**2020**		
In thousands of naira	**Insurance fund**	**Shareholders fund**	**Total**	**Insurance fund**	**Shareholders fund**	**Total**
Assets						
Cash and cash equivalents	4,337,564	-	4,337,564	2,844,095	283,719	3,127,814
Investment securities	3,383,988	-	3,383,988	3,601,408	-	3,601,408
Trade receivables	-	44,996	44,996	-	45,904	45,904
Reinsurance assets	690,926	-	690,926	468,970	-	468,970
Deferred acquisition cost	-	126,180	126,180	-	89,042	89,042
Other receivables and prepayments	-	255,960	255,960	-	69,012	69,012
Investment in joint venture	-	230	230	-	133,556	133,556
Investment properties	-	625,000	625,000	-	602,000	602,000
Intangible assets	-	8,408	8,408	-	10/May/11	10/May/11
Property and equipments	-	1,697,147	1,697,147	-	1,612,724	1,612,724
Right of Use assets	-	-	-	-	1,842	1,842
Statutory deposits	-	500,000	500,000	-	500,000	500,000
Total assets	**8,412,478**	**3,257,921**	**11,670,399**	**6,914,473**	**3,341,947**	**10,256,420**
Liabilities						
Insurance Contract liabilities	1,725,268	-	1,725,268	1,338,170	-	1,338,170
Trade payables	-	343,163	343,163	-	227,678	227,678
Accrual and other liabilities	-	232,701	232,701	-	217,706	217,706
Current income tax liabilities	-	99,306	99,306	-	138,268	138,268
Deferred tax liability	-	64,815	64,815	-	1/Mar/07	1/Mar/07
Total liabilities	**1,725,268**	**739,985**	**2,465,253**	**1,338,170**	**622,794**	**1,960,964**
Gap	**6,687,210**	**2,517,936**	**9,205,146**	**5,576,303**	**2,719,153**	**8,295,456**

OTHER NATIONAL DISCLOSURES

FIN INSURANCE COMPANY LIMITED
Revenue Account
For the period ended 31 December, 2021

In thousands of Naira	Note	Fire	Accident	Motor	Marine	Bond	Engineering	Agric	Aviation	Oil & Gas	2021 Total of Gen. Biz. with Sp.	2020 Total of Gen. Biz.
Gross premium written	**27**	**517,363**	**110,729**	**379,045**	**114,262**	**1,351**	**180,161**	**93,287**	**230,530**	**616,122**	**2,242,850**	**1,561,068**
(Increase)/decrease in Unearned premium	27(a)	(109,234)	(5,355)	55,612	(7,323)	83	(38,986)	(8,499)	(14,578)	(15,643)	(143,923)	(210,117)
Gross premium Earned	**27(a)**	**408,129**	**105,374**	**434,657**	**106,939**	**1,434**	**141,175**	**84,788**	**215,952**	**600,479**	**2,098,927**	**1,350,951**
Reinsurance cost	28	(348,899)	(3,100)	(106,832)	(88,687)	(8,465)	(137,524)	(69,795)	(106,982)	(314,077)	(1,184,361)	(668,094)
											-	
Net Premium Earned		**59,230**	**102,274**	**327,825**	**18,252**	**(7,031)**	**3,651**	**14,993**	**108,970**	**286,402**	**914,566**	**682,857**
Fees and commissions income	29	107,852	356	18,694	22,447	170	36,797	19,036	215	40,085	245,652	151,258
Total income		**167,082**	**102,630**	**346,519**	**40,699**	**(6,861)**	**40,448**	**34,029**	**109,185**	**326,487**	**1,160,218**	**834,115**
											-	
Direct claims paid	30	(82,503)	(13,146)	(93,135)	(34,204)	-	(245)	(28,030)	(9,138)	(40,276)	(300,677)	(415,210)
(Increase)/decrease in provision for outstanding claims		(163,671)	(21,539)	(36,833)	(680)	-	(2,502)	(6,905)	(6,639)	(4,405)	(243,174)	(118,622)
Gross claims incurred		**(246,174)**	**(34,685)**	**(129,968)**	**(34,884)**	**-**	**(2,747)**	**(34,935)**	**(15,777)**	**(44,681)**	**(543,851)**	**(533,832)**
											-	
Change in reinsurance recoverable & others	30	181,989	13,605	54,048	29,549	316	2,575	6,322	925	(66,456)	222,873	99,812
Net claims incurred	**30**	**(64,185)**	**(21,080)**	**(75,920)**	**(5,335)**	**316**	**(172)**	**(28,613)**	**(14,852)**	**(111,137)**	**(320,978)**	**(434,020)**
											-	
Acquisition Expenses	31	(84,345)	(25,933)	(54,466)	(22,538)	(260)	(33,569)	(16,891)	(31,737)	(97,122)	(366,861)	(221,169)
Maintenance costs	31	(21,704)	(4,874)	(26,807)	(6,057)	(52)	(6,930)	(3,588)	(8,867)	(23,699)	(102,578)	(77,384)
											-	
Underwriting expenses		**(106,049)**	**(30,807)**	**(81,273)**	**(28,595)**	**(312)**	**(40,499)**	**(20,479)**	**(40,604)**	**(120,821)**	**(469,439)**	**(298,553)**
											-	
Underwriting result		**(3,152)**	**50,743**	**189,326**	**6,769**	**(6,857)**	**(223)**	**(15,063)**	**53,729**	**94,529**	**369,801**	**101,542**

Value added statement
For the period ended 31 December 2021

In thousands of naira	**31-Dec-2021**	**%**	**31-Dec-2020**	**%**
Gross premium-Local	2,098,927	193	1,350,951	171
Other income	1,394,391	128	1,271,391	161
Bought in materials and services	(2,406,114)	(221)	(1,833,176)	(232)
Value Added/(eroded)	1,087,204	100	789,166	100
Distribution of Value Added: To Government:				
Government(taxes)	(93,517)	(9)	(41,223)	(5)
To employees:				
Employees (staff cost)	394,020	36	369,197	47
Retained in business:				
Depreciation	39,279	4	49,390	6
Amortisation	3,003	0	359	0
Retained earnings/(losses)	744,419	68	411,443	52
Value Added/(eroded)	1,087,204	100	789,166	100

Financial Summary

In thousands of naira	2021	2020	2019	2018	2017
Assets					
Cash and cash equivalents	4,337,564	3,127,814	4,444,578	791,586	960,318
Investment securities	3,383,988	3,601,408	1,491,972	1,550,922	1,716,897
Trade receivables	44,996	45,904	2,082	1,570	475
Reinsurance assets	690,926	468,970	379,686	305,622	276,527
Deferred acquisition costs	126,180	89,042	38,274	40,793	47,811
Other receivables and prepayments	255,960	69,012	21,580	56,026	52,591
Investment in joint arrangement	230	133,556	261,188	2,746,384	1,249,828
Investment properties	625,000	602,000	560,000	532,000	503,000
Intangible assets	8,408	4,148		2,432	5,253
Property and equipment	1,697,147	1,612,724	1,565,220	1,436,129	1,405,102
Right of Use assets	-	1,842	3,726	-	-
Statutory deposits	500,000	500,000	300,000	300,000	300,000
Total Assets	11,670,400	10,256,420	9,068,306	7,763,464	6,517,802
Liabilities					
Insurance contract liabilities	1,725,268	1,338,170	1,026,750	980,232	1,217,882
Trade payables	343,163	227,678	143,771	106,635	205,261
Accruals and other liabilities	232,701	217,706	194,616	200,269	255,104
Current income tax liabilities	99,306	138,268	147,951	202,565	178,375
Deferred tax liability	64,815	39,142	-	234,345	217,356
Total liabilities	2,465,253	1,960,964	1,513,088	1,724,046	2,073,978
Net Assets	9,205,147	8,295,456	7,555,218	6,039,418	4,443,824
Equity					
Ordinary share capital	5,000,000	5,000,000	3,300,000	3,300,000	3,300,000
Share premium	93,878	93,878	93,878	93,878	93,878
Statutory contingency reserve	1,296,658	1,147,775	1,065,486	823,392	525,478
Other reserves	1,028,144	862,872	734,077	428,747	322,725
Retained earnings	1,786,465	1,190,931	2,361,777	1,393,401	201,743
Total equity	9,205,145	8,295,456	7,555,218	6,039,418	4,443,824

Profit or loss account and other comprehensive income

In thousands of naira	31-Dec-2021	31-Dec-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017
Gross premium written	2,242,850	1,561,068	1,238,845	1,016,772	1,300,624
Net premium income	914,566	682,857	618,389	527,305	655,300
Profit/(Loss) before minimum taxation	837,936	452,666	979,010	1,550,271	(514,426)
Minimum tax	-	(3,377)	(5,953)	(31,251)	-
Profit/(Loss)/ before taxation	744,419	449,289	973,057	1,519,020	(514,426)
Income taxes	-	(37,846)	237,413	(29,448)	(157,874)
Profit/(Loss)/ after taxation	744,419	411,443	1,210,470	1,489,572	(672,300)
Transfer to contingency reserve	(148,884)	(82,289)	(242,094)	(297,914)	(39,019)
Transfer to retained earnings	595,534	329,154	2,178,846	1,191,658	(711,319)
Earnings per share (Kobo)	15	8	37	45	(20)